

LOAN AND SECURITY AGREEMENT, dated as of August __, 2005, among SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK (the "**Borrower**"), a New York not-for-profit corporation and a debtor and debtor-in-possession under chapter 11 of the United States Bankruptcy Code, the Guarantors named herein and signatory hereto as debtors and debtors-in-possession under chapter 11 of the Bankruptcy Code, and COMMERCE BANK, N.A. (the "**Bank**").

The Borrower filed in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") on July 5, 2005 (the "**Filing Date**") a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Prior to such filing (the "**Bankruptcy Filing**"), Saint Vincents Catholic Medical Centers of New York borrowed funds from Commerce Bank, N.A. to fund its working capital and operating needs pursuant to that certain Loan and Security Agreement, dated as of September 30, 2003, as amended (the "**Pre-Petition Facility**"). The Pre-Petition Facility is secured by first priority liens and security interests of the Bank in and against the Collateral (as defined below).

The Borrower and each of the Guarantors being all affiliated healthcare service providers have requested that the Bank provide to the Borrower a revolving credit facility of up to \$35,000,000 secured by first priority senior liens and security interests in and against the Collateral (as defined below), the proceeds of which are to be used to permanently repay the Pre-Petition Facility and for additional working capital and general corporate purposes, and the Bank has agreed to make available to the Borrower a senior secured debtor-in-possession credit facility upon the terms and conditions set forth in this Agreement.

Accordingly, in consideration of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

1. Availability. (a) At the Borrower's request, and subject to full compliance with all of the terms and conditions of this agreement (the "**Agreement**"), the Bank shall hold available for the use of the Borrower a revolving loan facility in the maximum amount of \$35,000,000.00 (the "**Revolver**"). The Revolver shall permit the Borrower to make discrete borrowings (hereinafter "**Loans**") for the aforesaid purposes provided that the aggregate amount of Loans at any time outstanding under the Revolver shall not exceed the lesser of \$35,000,000.00 or 70% of the Borrower's combined entitlement to distributions pertaining to Calendar Years 2005 and 2006 (the "**Entitlements**") from the Professional Education Pools and the Indigent Care Pools (as such terms are hereinafter defined and, collectively, the "**Pools**") as identified by letter to the Borrower at the beginning of each calendar year by the New York State Department of Health (the "**Entitlement Letter**"), such letter to be in form and substance satisfactory to the Bank. The Borrower and the Bank acknowledge that the Entitlement Letter in connection with Calendar Year 2006 Entitlements (the "**2006 Entitlement Letter**") will not be available upon the effective date hereof. Notwithstanding the foregoing, the Bank will Loan up to \$35,000,000.00 against the Entitlements pending receipt of the 2006 Entitlement Letter. Upon submission of the 2006 Entitlement Letter, the Bank shall make available Loans against 2006 Entitlements as provided in the second sentence of this section 1(a). The

Borrower shall have the option at any time to pay down the Facility and to repay the Loans, without penalty. Notwithstanding anything contained herein to the contrary, any reduction in the Entitlements including, without limitation, in connection with any change in the amount of the existing Entitlement distributions, any action by the Borrower (voluntarily or otherwise) to reduce beds, discontinue service or close any of its facilities (and/or part thereof) shall promptly be reported to the Bank. Entitlements shall exclude any St. Dominic's Entitlements (as defined below in paragraph 5).

(b) Loans shall be extended upon the Borrower's prior written notice to the Bank (duly executed by an authorized officer of the Borrower), such notice to be in a form satisfactory to the Bank, which may be accomplished by facsimile transmission.

2. Guarantees. (a) Each Guarantor unconditionally guaranties, as a primary obligor and not merely as a surety, jointly and severally with each other Guarantor, the due and punctual payment of the principal of and interest on the Revolver, when and as due, whether at maturity, by acceleration, by notice of prepayment or otherwise. Each Guarantor further agrees that the Revolver may be extended and renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guaranty notwithstanding any extension or renewal of any of the Obligations (as defined below in paragraph 5).

(b) Each Guarantor waives presentment to, demand of payment from and protest to the Borrower of any of the Obligations, and also waives notice of acceptance of its guaranty and notice of protest for nonpayment. The obligations of a Guarantor hereunder shall not be affected by (i) the failure of the Bank to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Guarantor under the provisions of this Agreement or otherwise; (ii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Agreement, any guaranty or any other agreement; (iii) the release of any security held by the Bank for the Obligations; (iv) the failure of the Bank to exercise any right or remedy against any other Guarantor of the Obligations; or (v) the failure of the Bank to take, register, perfect or preserve any security for any of the Obligations.

(c) Each Guarantor further agrees that its guaranty constitutes a guaranty of payment when due and not of collection, and waives any right to require that any resort be had by the Bank to any security (including, without limitation, any Collateral) held for payment of the Obligations or to any balance of any deposit account or credit on the books of the Bank in favor of the Borrower or any other person.

(d) The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Bank to assert any claim or demand or to enforce any remedy under this

Agreement, or under any other Loan Document, any guaranty or any other agreement, by any waiver or modification of any provision thereof, by any default, failure or delay, willful or otherwise, in the performance of any obligations, or by any other act or omission which may or might otherwise in any manner or to any extent vary the risk or reduce or extinguish the liability of such Guarantor or otherwise operate as a discharge of such Guarantor as a matter of law or equity.

(e) Each Guarantor further agrees that its guaranty shall be a continuing guaranty and shall stand as a guaranty of full and final payment of all of the Obligations from time to time and shall continue to be effective or, subject to the Orders (hereinafter defined), be reinstated, as the case may be, if at any time payment, or any part thereof, of principal or of interest on any Obligations are rescinded or must otherwise be returned by the Bank for whatever reason.

(f) Each Guarantor hereby waives and releases in favor of the Bank all rights of subrogation against or in respect of the Borrower and its property and all rights of indemnification, contribution and reimbursement from the Borrower and its property, in each case in connection with this guaranty and any payments made hereunder, and regardless of whether such rights arise by operation of law, pursuant to contract or otherwise until such time as the Obligations has been fully and finally performed and paid.

(g) Notwithstanding anything in the Agreement, or any documents to the contrary, the obligations of each of CMC Physician Services, P.C., CMC Radiological Services, P.C., CMC Cardiology Services P.C., CMC Occupational Health Services, P.C., Medical Service of St. Vincent's Hospital and Medical Center, P.C., and Surgical Service of St. Vincent's, P.C. under this guaranty shall in no event exceed an amount equal to the positive difference between the amount due under the Agreement and the amount due under the Pre-Petition Facility as of the Filing Date.

3. Credit Period/Maturity Date. The Revolver shall mature, terminate and be payable in full upon the earlier to occur of (a) the effective date of a confirmed plan of reorganization for the Borrower, (b) the Borrower obtaining interim, permanent or exit financing which seeks to obtain senior or *pari passu* liens on the Collateral, and (c) December 31, 2006 (the "**Maturity Date**")

All Loans shall mature on the last day of the Credit Period.

4. Interest and fees. The Bank shall charge and shall be entitled to receive the following amounts (which amounts, together with any other amounts owing by the Borrower to the Bank under the Revolver, may be charged to any non-restricted Borrower account, including, without limitation the Blocked Account, as such term is defined in **Section 9** hereof). For the purposes of this Agreement, "**non-restricted**" shall include operating accounts and payroll accounts but not endowment, trust, Depreciation Reserve Fund, Mortgage Reserve Fund or pension accounts clearly designated as such.

(a) Loans shall bear interest at a fluctuating rate per annum equal to one percent (1%) per annum in excess of the Prime Rate, as the Prime Rate is defined in the promissory note (the "Note") in connection with this Agreement such interest rate to change when and as the Prime Rate changes.

(b) There shall be a Structuring Fee equal to \$150,000, due upon the Interim Financing Order Date and payable on the earlier of November 1, 2005 and the Final Financing Order Date, which fee is non-refundable, whether or not any Loans are requested or granted by the Borrower under the Revolver.

(c) If any future law, regulation or guideline or any new interpretation of any existing law, regulation or guideline by any court or administrative or governmental authority charged with the administration thereof, or compliance by the Bank with any request or directive (whether or not having the force of law) of any such authority, imposes, modifies, deems applicable or results in the application of, any capital maintenance, capital adequacy, capital ratio or similar requirement against loan commitments made by the Bank (or participations therein) or the Bank in anticipation of the effectiveness of any capital maintenance, capital adequacy, capital ratio or similar requirement takes reasonable action to enable itself to comply therewith, and the result thereof is to impose upon the Bank or increase any capital requirement applicable as a result of the making or maintenance of the Revolver or participations therein (which imposition of or increase in capital requirements may be determined by the Bank's reasonable allocation of the aggregate of such capital impositions or increases) then, upon demand by the Bank, followed by a ten (10) day grace period, the Borrower shall immediately pay to the Bank from time to time as specified by the Bank additional fees which shall be sufficient to compensate the Bank for such impositions of or increases in capital requirements, together with interest on each such amount from the date demanded (after the applicable grace period) until payment in full thereof at the interest rate referred to in the Note in connection with outstanding Loans). A certificate setting forth in reasonable detail the amounts necessary to compensate the Bank as a result of an imposition of or increase in capital requirements submitted by the Bank to the Borrower shall be conclusive, absent manifest error or bad faith, as to the amount thereof. For purposes of this Section, (i) in calculating the amount necessary to compensate the Bank for any imposition of or increase in capital requirements, the Bank shall be deemed to be entitled to a rate of return on capital (after federal, state and local taxes) equal to the then-prevailing interest rate accruing pursuant to the terms of the Note, and (ii) all references to the "Bank" shall be deemed to include any participant in the Revolver.

5. Collateral. The "**Obligations**", being all liabilities, absolute or contingent joint, several or independent, of the Borrower now or hereafter existing, due or to become due to, or held or to be held by, the Bank with respect to the Revolver, shall be secured by a first priority perfected priming lien and security interest in all present and future accounts, contract rights, general intangibles, sums, distributions and proceeds owing to the Borrower or to which the Borrower is entitled arising from or with respect to:

(a) the Indigent Care Pool, being the successor to the Regional Bad Debt and Charity Care Pool and the Statewide Financially Distressed Hospital Pool

promulgated under the New York Health Care Reform Act of 1996, codified as New York Public Health Law §2807-(k) (as such Pool may be renamed or modified or as such Pool may otherwise be known, collectively the "**Indigent Care Pool**") in connection with and/or with respect to the calendar years 2005 and 2006, and all cash and non-cash proceeds, accretions and/or substitutions thereof or thereto as funded and/or provided for pursuant to any and all relevant statutes, rules and/or regulations of the State of New York or any agency or instrumentality thereof including, without limitation, Article 28 of the New York Public Health Law and Part 86 of Title 10 of the New York Codes, Rules and Regulations, as such statutes, rules and regulations may be modified from time to time (collectively the "**2005-2006 Indigent Care Pools**") and all such mechanisms as may replace the 2005-2006 Indigent Care Pools as the means by which the Borrower is reimbursed by New York State for its costs of bad debt and charity care for such years;

(b) the Professional Education Pool (as such Pool may be renamed or modified or as such Pool may otherwise be known hereinafter, the "**Professional Education Pool**") in connection with and/or with respect to the calendar years 2005 and 2006, and all cash and non-cash proceeds, accretions and/or substitutions thereof or thereto as funded and/or provided for pursuant to any and all relevant statutes, rules and/or regulations of the State of New York or any agency or instrumentality thereof including, without limitation, Article 28 of the New York Public Health Law and Part 86 of Title 10 of the New York Codes, Rules and Regulations, as such statutes, rules and regulations may be modified from time to time (the "**2005-2006 Professional Education Pools**") and all such mechanisms as may replace the 2005-2006 Professional Education Pools as the means by which the Borrower is reimbursed by New York State for its costs of graduate medical education for such years.

The collateral described in (a) and (b) above and proceeds thereof shall be collectively hereinafter referred to as the "**Collateral**". Notwithstanding the foregoing, "Collateral" shall not include any present or future accounts, contracts rights, general intangibles, sums and distributions owing to the Borrower or to which the Borrower is entitled arising from or with respect to the 2005-2006 Indigent Care Pools and the 2005-2006 Professional Education Pools attributable to or received in connection with St. Dominic's (the "**St. Dominic's Entitlements**"). The Borrower shall deliver to the Bank on or before the date hereof, a certification as to the amount of the St. Dominic's Entitlements.

6. Authorization to File Financing Statements. On or before the execution of this agreement, the Bank shall be entitled to file a UCC-1 financing statement in substantially similar form to that appended hereto as Exhibit "A" reflecting its security interest in the aforementioned Collateral, and/or as to any part of any of the foregoing. Without limiting the foregoing, the Bank is hereby authorized to file one or more financing statements, continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Borrower pursuant to the Security Agreement of even date herewith (the "**Security Agreement**") between the Borrower and the Bank, and naming the Borrower as debtor and the Bank as secured party.

7. (i) Conditions Precedent to Interim Funding. The Bank's obligations under this Agreement are subject to the following conditions precedent:

(a) The Bank shall have received a copy of the Interim Financing Order in a form acceptable to the Bank, which shall be entered by the Bankruptcy Court and which shall be in full force and effect, by October 1, 2005;

(b) The Borrower performing each condition and obligation respectively required of it hereunder and under each agreement, document and instrument executed and delivered by it pursuant to or in connection with this Agreement within the time permitted for each such performance including, without limitation, accepting and agreeing to the terms of this Agreement by signing and returning a copy of this Agreement to the undersigned;

(c) Approvals and consents to the validity of the Bank's senior first priority liens and claims, from the United States Bankruptcy Court for the Southern District of New York, and the Official Committee of Unsecured Creditors;

(d) The Bank shall also be provided with a letter in form and substance satisfactory to the Bank from the U.S. Department of Housing and Urban Development authorizing the Authority to release its interest in the Entitlements in connection with the Borrower's pledge of Collateral as contemplated herein;

(e) The Bank shall be provided confirmation and ratification of the Bank's existing first priority liens in and security interests against the 2005 Entitlements and pledge (hereby deemed established) of all 2006 Entitlements, which confirmation and ratification shall be deemed binding on all parties and creditors;

(f) The Bank shall have received from the Borrower a certification from the Borrower as to amounts received in Pool distributions through the execution hereof and the balance remaining to be received on account of the 2005 Entitlements; and

(g) The Bank shall have been provided with the consent of all applicable and appropriate Governmental Entities, agencies and/or instrumentalities including, and without limitation, the New York State Department of Health and the Dormitory Authority of the State of New York (the "**Authority**").

(ii) Conditions Precedent to Final Funding. The Bank's obligations under this Agreement are subject to the following conditions precedent:

(a) The Bank shall have received a copy of the Final Financing Order in a form acceptable to the Bank, which shall be entered by the Bankruptcy Court and which shall be in full force and effect, by October 21, 2005;

(b) The Bank shall have being provided with the consent of the administrator (currently Excellus Health Plan, Inc., formerly known as Blue Cross and Blue Shield of Central New York ("**Excellus**")) of the Pools to the terms of this

Agreement, to the pledge of the Collateral and to the direction of payment of the Entitlements as called for in Section 1 hereof;

(c) The Bank shall be in receipt of the fees set forth in Section 4(b) hereof;
and

(d) The Bank shall have received a copy of Schedule 1 in a form satisfactory to the Bank.

8. Representations and Warranties; Covenants. The Borrower makes upon the execution hereof and shall be deemed to have made upon each request for a Loan hereafter, the representations and warranties set forth below as well as those in the Representations Section of the Note:

(a) Except as disclosed on Schedule 1 and subject to the Orders, it has all power and authority, and has all permits, licenses, accreditations, certifications, authorizations, approvals, consents and agreements of all Insurers, Governmental Entities, accreditation agencies and any other Person (including without limitation, accreditation by the appropriate Governmental Entities and industry accreditation agencies and accreditation and certifications as a provider of healthcare services eligible to receive payment and compensation and to participate under Medicare, Medicaid, TRICARE/CHAMPUS/ Champva, Blue Cross/Blue Shield and other equivalent programs) necessary or required for it (i) to own the assets (including Entitlements) that it now owns, (ii) to carry on its business as now conducted, (iii) to execute, deliver and perform the Agreement and the other Loan Documents to which it is a party.

(b) No part of the Collateral and/or any right to receive or collect the same, nor the proceeds thereof, will be subject to any claim, lien, pledge or security interest which is equal to or senior to the first priority priming liens and security interests in and against the Collateral granted to the Bank hereunder.

(c) Except as disclosed in Schedule 1 hereto, it has not been notified by any Insurer, Governmental Entity, accreditation agency or any other Person, during the immediately preceding 24 month period, that such party has rescinded or not renewed, or is reasonably likely to rescind or not renew, any such permit, license, accreditation, certification, authorization, approval, consent or agreement granted to it or to which it is a party.

(d) It is the legal and beneficial owner of the Entitlements and the Bank, holds a valid and perfected first priority security interest in the Entitlements and all other Collateral, in each case, free and clear of any other lien or interest.

(e) Its principal place of business, chief executive office and the office where it keeps its records concerning the Entitlements are located at the addresses referred to in the Notices section herein.

(f) Except as disclosed on Schedule 1, its legal name is the name referred to on the first page hereof, it has not used and does not now use any fictitious or trade name.

(g) Prior to the making of this representation, there has occurred no event, which has or is reasonably likely to have a Material Adverse Effect on the Borrower.

(h) Except as disclosed on Schedule 1, to the best of its knowledge, there are no pending criminal or civil investigations by any Governmental Entity involving it or any Affiliate or any of their respective officers or directors and neither it, any Affiliate or any of their respective officers or directors has been involved in, or the subject of, any criminal or material civil investigation by any Governmental Entity that will have a Material Adverse Effect on its operations or this transaction.

(i) The Borrower is authorized to execute, deliver and perform under this Agreement, the Note, the Security Agreement and the Blocked Account Agreement (as defined hereafter) (collectively with all other documents in connection herewith, the "**Loan Documents**") and the person signing the Agreement is authorized to sign any and all documents to be delivered by the Borrower or as required or contemplated hereunder.

9. Other Conditions and Covenants. In addition to the foregoing, at all times during the Credit Period and as long as any Loan remains outstanding:

(a) The Borrower shall not be in a monetary or payment default under any agreement, document or instrument with any other person or entity, which default would have a material negative impact on the Borrower's ability to meet its obligations under this Agreement;

(b) The Borrower's monthly distributions of sums from the 2005-2006 Pools shall be deposited by the designated administrator of the Pools (currently Excellus) into an account of the Borrower at the Bank, to be established for that purpose (the "**Blocked Account**"). The Blocked Account shall be governed by a blocked account agreement between the Borrower and the Bank in the form of Exhibit "B" hereto (the "**Blocked Account Agreement**"). Distributions received from the Entitlements shall be applied by the Bank in reduction of fees, interest and principal outstanding under the Revolver. The Blocked Account and all funds in the Blocked Account shall constitute Collateral. Interest accrued under the Revolver will be charged to the Blocked Account on the 1st day of each month. The Borrower shall provide the Bank with a certificate each month within twenty (20) days following month end, showing its Entitlements, the distributions paid to date, the amount of remaining Entitlements not yet distributed to the Borrower and acknowledging compliance with the provisions of Section 1 of this Agreement limiting the outstanding amount of the Revolver. The Bank shall determine the amount available hereunder (the "**Borrowing Base**") pursuant to the terms hereof. Amounts outstanding hereunder in excess of the Borrowing Base shall be paid down from funds in the Blocked Account. The Borrower will not be permitted to withdraw funds from the Blocked Account unless at the time of such requested withdrawal all amounts outstanding under the Revolver in excess of the Borrowing Base have been

repaid to the Bank and there are no sums outstanding with regard to interest and fees under the Revolver, or unless otherwise permitted in writing by the Bank. If, pursuant to the conditions contained in this Agreement, including, without limitation, those imposed by this Section, the Borrower is permitted to withdraw the funds in the Blocked Account, then the Borrower may gain such access (subject to the terms and conditions of this Agreement) by request for funds therefrom followed up by immediate faxed written confirmation signed by an authorized signatory of the Borrower. Notwithstanding anything in this Section 9(b) to the contrary, the Bank acknowledges that the St. Dominic's entitlements are not Collateral and may be withdrawn by the Borrower without restriction.

(c) The Borrower shall be responsible for paying all of the Obligations to the Bank and the payments required in connection therewith as and when such Obligations and/or payments become due whether or not sufficient funds exist in the Borrower's accounts on any particular due date;

(d) Without the prior written consent of the Bank, the Borrower shall not dispose of all or substantially all of its assets, merge with or consolidate into another entity or entities;

(e) Additionally, the Borrower must give the Bank prior written notice of any proposed action, which would have the result of reducing and/or delicensing beds, discontinuing services or closing any Facility and/or a part thereof. Such notice shall be given no later than simultaneous with the initial notice to the New York State Department of Health required by the regulations of the New York State Department of Health in connection with such proposed action. Within thirty (30) days of such notice, the Borrower shall provide the Bank with a statement identifying the expected reduction in Entitlements resulting from such proposed action, if any. Based upon the statement, the Bank shall make a determination as to the amount of Entitlements, which are no longer eligible for inclusion in the Borrowing Base by reason of such expected reduction and shall immediately notify the Borrower thereof. The Borrower will not be permitted to and will refrain from taking any action, without the Bank's prior written approval, when such action would result in the loss of Pool distributions rendering the Borrower out of compliance with the Availability requirements set forth above;

(f) Simultaneously with the Borrower obtaining permanent replacement DIP financing (the "**Final DIP Loan**") sufficient to fully repay the loan between the Borrower and HFG Healthco-4 LLC granted pursuant to a Loan and Security Agreement dated July 5, 2005 (the "**HFG Loan**"), and the outstanding indebtedness of the Borrower to the Dormitory Authority of the State of New York (i) the Borrower shall make such payments as are necessary, if any, to reduce the outstanding amount under the Revolver to no more than \$30,000,000.00, and (ii) the maximum availability under the Revolver shall be permanently reduced to \$30,000,000.00. In the event any replacement lender or final DIP loan lender seeks to obtain a senior or *pari passu* lien on any part of the Collateral, the Revolver shall be fully repaid. In the event the Final DIP Loan is not funded on or before November 1, 2005, the Bank shall be entitled to apply all payments from the Entitlements against the Revolver until the Revolver shall have been

permanently reduced to \$30,000,000. All payments made to or received by the Bank against the Revolver shall permanently reduce the Revolver. Starting January 1, 2006, so long as the Revolver has theretofore been reduced to no more than \$30,000,000, the Bank shall thereafter be permitted to apply one half of all payments made on account of the Entitlements to reduce the Revolver. Should at any time the sums outstanding under the Revolver be greater than 70% of the Entitlements, the Bank shall thereupon be entitled to apply any and all payments made on account of the Entitlements to permanently reduce the sums outstanding under the Revolver until such time as the sums outstanding under the Revolver are no more than 70% of the Entitlements.

(g) The Borrower shall furnish to the Bank:

(i) within 180 days of the close of the Borrower's fiscal year end, the balance sheet, statements of income and retained earnings and cash flows of the Borrower as of the last day of and for such fiscal year, each such statement to be prepared in accordance with generally accepted accounting principles consistently applied and certified by a firm of independent certified public accountants satisfactory to the Bank;

(ii) annually and not later than the 10th day after receipt from the New York State Department of Health a letter confirming to the Bank the Borrower's then current overall Entitlements;

(iii) monthly, and not later than 45 days after the end of each month, a Borrowing Base certificate indicating 70% of the Entitlements for the year reduced by distributions received to date and Entitlements deemed ineligible by the Bank pursuant to this Agreement, each as of the last day of the month in question;

(iv) weekly, a thirteen (13) weeks rolling budget and cash forecast; and

(v) such other statements and reports as shall be reasonably requested by the Bank.

(i) Indemnification. The Borrower hereby agrees to indemnify and hold harmless the Bank and each of its Affiliates, directors, officers, agents, representatives, counsel and employees and each other party, if any, controlling them or any of its affiliates within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20(a) of the Exchange Act (each, an "**Indemnified Party**"), from and against any and all losses, claims, damages, costs and expenses (including reasonable counsel fees and disbursements) and liabilities which may be incurred by or asserted against such Indemnified Party with respect to or arising out of the commitments hereunder to make Loans, or the financings contemplated hereby, the Collateral (including, without limitation, the use thereof by any of such Persons or any other entity, the exercise by any Indemnified Party of rights and remedies or any power of attorney with respect thereto), the use of proceeds of any financial accommodations provided, hereunder, any investigation, litigation or other proceeding (brought or threatened) relating thereto, or the role of any such Person or Persons in connection with the

foregoing whether or not they or any other Indemnified Party is named as a party to any legal action or proceeding (“*Claims*”). The Borrower will not, however, be responsible to any Indemnified Party hereunder for any Claims to the extent that a court having jurisdiction shall have determined by a final nonappealable judgment that any such Claim shall have arisen out of or resulted solely from (a) (i) actions taken or omitted to be taken by such Indemnified Party by reason of the bad faith, willful misconduct or gross negligence of any Indemnified Party, or (ii) in violation of any law or regulation applicable to such Indemnified Party (except to the extent that such violation is attributable to any breach of any representation, warranty or agreement by or on behalf of the Borrower or any of its designees), in each case, as determined by a final nonappealable decision of a court of competent jurisdiction), or (b) a successful claim by the Borrower against such Indemnified Party. The Indemnified Party shall give the Borrower prompt Written Notice (as defined in paragraph 24) of any Claim setting forth a description of those elements of the Claim of which such Indemnified Party has knowledge. The Bank, as an Indemnified Party, shall be permitted hereunder to select counsel to defend such Claim at the expense of the Borrower and, if such Indemnified Party shall decide to do so, then all such Indemnified Parties shall select the same counsel to defend such Indemnified Parties with respect to such Claim; provided, however, that if any such Indemnified Party shall in its reasonable opinion consider that the retention of one joint counsel as aforesaid shall result in a conflict of interest, such Indemnified Party may, at the Borrower’s expense, select its own counsel with respect to such Claim. The Indemnified Parties and the Borrower and their respective counsel shall cooperate with each other in all reasonable respects in any investigation, trial and defense of any such Claim and any appeal arising therefrom.

(j) Right of Set-Off. Subject to the Orders, the Borrower hereby irrevocably authorizes and instructs the Bank to set-off the full amount of any amount outstanding hereunder due and payable against, without limitation, (i) any cash proceeds of the Entitlements (“*Collections*”) (unless such Collections have been directed by an order of the Bankruptcy Court to be paid to the Borrower directly), or (ii) the principal amount of any Loan requested on or after such due date. No further notification, act or consent of any nature whatsoever is required prior to the right of the Bank to exercise such right of set-off, *provided, however*, that the Bank shall notify the Borrower (1) that a set-off pursuant to this subsection has occurred, (2) the amount of such set-off, and (iii) a description of the Loan that was due and payable.

(k) Attorney-in-Fact. The Borrower hereby irrevocably designates and appoints the Bank, subject to the Orders and to the extent permitted by applicable law and regulation, as the Borrower’s attorney-in-fact, which irrevocable power of attorney is coupled with an interest, with authority, during the continuance of an Event of Default (and to the extent not prohibited under applicable law and regulations) to (i) endorse or sign the Borrower’s or any Guarantor’s name to financing statements, remittances, invoices, assignments, checks (including, subject to applicable law, payments from any Governmental Entities), drafts, or other instruments or documents in respect of the Entitlements, (ii) notify Insurers and, subject to applicable law, Governmental Entities, to make payments on the Accounts directly to the Bank, and (iii) bring suit in the

Borrower's or any Guarantor's name and settle or compromise such Accounts as the Bank may, in its discretion, deem appropriate.

10. Superpriority Administrative Expense Claim. The Bank shall have, with respect to the Obligations, but subject to the Carveout, as defined in the HFG Loan, a superpriority administrative expense claim pursuant to Section 364(c)(1) of the Bankruptcy Code ("*Superpriority Administrative Expense Claim*") having priority over all administrative claims or expenses now existing or hereafter arising, of any kind or nature of the kind specified in sections 503(b) and 507 of the Bankruptcy Code, provided, however, that the Superpriority Administrative Expense Claim shall not be recoverable from avoidance actions under Chapter 5 of the Bankruptcy Code.

11. Liens/Superpriority Priming Liens as Security for the Bank. To secure the Obligations, the Bank shall be given a perfected, first priority, senior priming lien under section 364(d)(1) of the Bankruptcy Code superior to all other liens and/or claims of any other creditor upon all of the Collateral and proceeds thereof. The liens granted under this Agreement shall be afforded the protections of Bankruptcy Code section 364(e) and shall be senior and not be subject or subordinate to (x) any lien or security interest of any party including any federal, state, municipal or other governmental unit for any reason and (y) any lien or security interest that is avoided and preserved for the benefit of the Debtors or their estates under Bankruptcy Code section 551 or otherwise.

14. Automatic Perfection. Notwithstanding the rights granted the Bank under Section 6 hereof, the Borrower acknowledges that, pursuant to the Orders, the Liens in favor of the Bank in the Collateral shall be perfected without the filing of any financing statements, mortgages, notices of liens in any jurisdiction or filing office, nor shall the Bank be required to take any other action in order to validate or perfect its Liens in the Collateral.

15. Placement of Advertisements. The Borrower hereby grants the Bank the right to place one or more advertisements in newspapers and journals, on its website and in other Borrower materials (all, at its own expense) that recites the transaction, the amount of the transaction and utilizes the corporate logo of the Borrower.

16. Compliance with Laws, etc. The Borrower will comply in all material respects with all applicable laws, rules, regulations and orders, and will preserve and maintain its corporate existence, rights, franchises, qualifications, and privileges.

17. Offices, Records and Books of Account, Names. The Borrower will keep its principal place of business and chief executive office and the offices where it keeps its records concerning the Collateral at the address set forth in the Notices section hereof or, upon 30 day's prior Written Notice to the Bank, at any other locations in jurisdictions where all actions reasonably requested by the Bank or otherwise necessary to protect, maintain and perfect the Bank's security interest in the Entitlements have been taken and completed. It shall maintain proper books and accounts in which full, true and correct entries in conformity with GAAP and shall not make any notation on its books and records, including any computer files, that is inconsistent with the assignment of the

Entitlements to the Bank, as collateral security. It shall maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records, evidencing Entitlements and related contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for collecting all Entitlements (including, without limitation, records adequate to permit the daily identification of each Entitlement and all Collections in connection therewith).

18. Performance and Compliance with Contracts and Credit and Collection Policy. Subject to its rights under and the requirements of the Bankruptcy Code, it will, at its expense, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under all contracts related to the Entitlements and its responsibilities under this Agreement, and timely and fully comply in all material respects with proper credit and collection policy in regard to each Entitlement and the related contract, and it shall maintain, at its expense, in full operation each of the bank accounts and Blocked Account required to be maintained under this Agreement. It shall do nothing, nor suffer or permit any other Person, to impede or interfere with the collection by the Bank, or any other Person designated by the Bank of the Entitlements.

19. Financial Consultants. The Borrower shall continue to retain senior managers and financial consultants of recognized national standing to advise it with respect to its operations and the formulation of a plan of reorganization.

20. No Modifications. The Liens, properties, administrative expense claim priorities and other rights and remedies granted to the Bank pursuant to this Agreement, the Orders or the other Loan Documents (specifically including, but not limited to, the existence, perfection and priority of the Bank's Superpriority Administrative Expense Claim and Lien provided for herein) shall not be modified, altered or impaired in any manner by any other financing or extension of credit or incurrence of debt by the Borrower (pursuant to section 363, 364 of the Bankruptcy Code or otherwise), or by dismissal or conversion to cases under Chapter 7 of the Bankruptcy Code of the Chapter 11 Cases (the case under chapter 11 of the Bankruptcy Code commenced on the Filing Date by the Borrower and the Guarantors pending in the Bankruptcy Court"), or by any other act or omission whatsoever. Without limiting the generality of the foregoing, notwithstanding any such order, financing, extension, incurrence, dismissal, conversion, act or omission:

(a) The Liens granted to the Bank shall constitute valid and perfected first priority Liens on all of the Collateral of the Borrower and shall be prior to all other Liens, now existing or hereafter arising, in connection with the Collateral, in favor of any other creditor or other Person.

21. Prohibition.

(a) The Borrower shall not at any time seek, consent to or suffer to exist any modification, stay, vacation or amendment of any of the Orders, as the case may be, except for modifications and amendments mutually agreed to with the Bank.

(b) The Borrower shall use its best efforts to ensure that the Final Financing Order shall be obtained as soon as practical, and in all events, no later than 20 days from the date of the entry of the Interim Financing Order.

22. Prohibition on Surcharging and Priming of Liens of the Bank. The Borrower shall not permit any person to surcharge the Collateral under Sections 506(c) or 552 of the Bankruptcy Code or otherwise or to obtain a Lien with respect to the Collateral which is equal or senior to the Lien of the Bank hereunder. Except as expressly provided in this clause, the prohibition on surcharging or priming of liens of the Bank on the Collateral will survive the termination of this Agreement.

23. Documentation. There shall be no extension of credit hereunder until there shall have been executed documentation acceptable and sufficient to the Bank, including, without limitation, this Agreement, the Note, Security Agreement, financing statements, direction of payment letter, consent agreements, Blocked account agreement as well as the balance of the documentation referred to in the Closing Agenda annexed hereto as Exhibit "C".

24. Notices, Etc. All notices and other communications provided for under this Agreement and under the other Loan Documents to which the Borrower is a party shall be in writing (including facsimile transmissions) (the "*Written Notice*") and transmitted or delivered, if to the Borrower, Saint Vincents Catholic Medical Centers of New York, 450 West 33rd Street, New York, New York 10011, fax no. (212) 356-4493, Attention: Chief Financial Officer with a copy to the Borrower's General Counsel by facsimile or by overnight delivery at 540 West 33rd Street, New York, New York 10011, Attention: Senior Vice President, Chief Legal Officer; and if to the Bank, at its address at the address set forth above, fax no. (212) 918-4111, Attention: Gregory B. Braca, Senior Vice President with a copy to the Bank's counsel, Olshan Grundman Frome Rosenzweig & Wolosky LLP, by overnight delivery at 65 East 55th Street, New York, New York 10022, fax No. (212) 451-2222, Attention: James F. Gellman or, as to each party, at such other address as shall be designated by such party in a written notice to all other parties complying as to delivery with the terms of this Section 24. Notices may be sent by (i) first class mail, postage prepaid, (ii) Federal Express or other reputable overnight delivery service (for delivery the next business day), (iii) telecopy or (iv) personal delivery by messenger. Any notice (a) if mailed and properly addressed with postage prepaid, shall be deemed given on the earlier of (1) five Business Days after deposit with the United States Postal Service and (2) when received, (b) if sent by overnight delivery service, shall be deemed given on the next Business Day following the date on which it was deposited with such service prior to the deadline for overnight delivery, (c) if transmitted by telecopy or personal delivery, shall be deemed given when received, except that notices to the Bank shall not be effective until received by the person designated to receive such notice by the pertinent provision of this Agreement.

25. Events of Default. Upon the occurrence of any of the following events an Event of Default shall be deemed to have occurred:

(a) Subject to a notice and five (5) day cure period, failure of the Borrower to pay when due regular payments of principal, interest, or fees under the Loan Documents;

(b) Subject to a notice and ten (10) day cure period, failure of the Borrower to pay when due any other sum which the Borrower is required to pay under any of the Loan Documents;

(c) Subject to a notice and five (5) day cure period, any event which would have the effect of materially impeding or materially qualifying the distribution of the Collateral or the first priority perfected security interest of the Bank in the Collateral;

(d) Any sale, transfer, encumbrance or lien of the Collateral (excluding any subordinated lien or any lien which by its terms does not take effect until the Obligations are paid in full), except upon the prior written consent of the Bank;

(e) With respect to post-petition obligations only, should the Borrower default in the due payment or the observance or performance of any covenant or condition in any agreement or instrument evidencing, securing or relating to this or any other indebtedness for borrowed money in excess of \$1,000,000 which causes or results in the acceleration of the maturity thereof;

(f) With regard to the Borrower: any impairment or loss of any of its licenses, permits and/or business or work-related authorizations or approvals which impairment or loss would have a material adverse effect on the financial condition or operations of the Borrower;

(g) With regard to the Borrower: if Borrower stops operating or liquidates all or substantially all of its assets;

(h) Any material information furnished or provided by the Borrower to the Bank in writing not being materially correct;

(i) Except as disclosed in Schedule 1, the Borrower's failure to materially comply with any, federal or state regulatory requirement, law and/or ordinance as to any location in which the Borrower, or its respective subsidiaries operate which failure could have a material adverse effect on the financial condition, properties, or operations of the Borrower;

(j) Except as disclosed in Schedule 1, the Borrower shall engage in any (i) "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Plan,

which Reportable Event or institution of proceedings is, in the reasonable opinion of the Bank, likely to result in the termination of such Plan for purposes of Title IV of ERISA, and, in the case of a Reportable Event, the continuance of such Reportable Event unremedied for ten days after notice of such Reportable Event pursuant to Section 4043(a), (c) or (d) of ERISA is given or the continuance of such proceedings for ten days after commencement thereof, as the case may be, (iv) any Plan shall terminate for purposes of Title IV of ERISA, and in each case in clauses (i) through (iv) above, such event or condition could subject the Borrower to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations or property of the Borrower. For purposes of this Section 11(j), "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time; "Plan" shall mean any plan of a type described in Section 4021(a) of ERISA in respect of which the Borrower is an "employer" as defined in Section 3(5) of ERISA; and a "Reportable Event" shall mean any of the events set forth in Section 4043 of ERISA or the regulations thereunder, other than an event (excluding an event described in Section 4043(c)(1) relating to tax disqualification) with respect to which the 30-day notice requirement has been waived;

(k) Should the Borrower fail to comply with any of the other terms or conditions of any of the Loan Documents after notice followed by a thirty (30) day cure period;

(l) This Agreement shall for any reason fail or cease to create or fail or cease to be a valid and perfected security interest in the Collateral and the Entitlements, and the Collections free and clear of all Liens;

(m) The Borrower files a plan of reorganization with the Bankruptcy Court that does not require and contemplate the payment in full in cash of all Obligations hereunder on the effective date thereof or that is otherwise not acceptable to the Bank, in its sole discretion;

(n) The Borrower shall make, join or support any attack that is threatened, made or entered against the Pre-Petition Lien on the Entitlements under the Pre-Petition Facility.

(o) An order shall be entered by the Bankruptcy Court (i) appointing a Chapter 11 trustee, (ii) appointing an examiner with enlarged powers relating to the operation of the Borrower's business beyond those set forth in subsections 1106(a)(3) and 1106(a)(4) of the Bankruptcy Code, or granting any creditor material relief from the automatic stay to exercise rights with respect to any material Collateral.

(p) An order shall be entered by the Bankruptcy Court converting the Chapter 11 Cases to a case or cases under chapter 7 of the Bankruptcy Code.

(q) An order shall be entered by the Bankruptcy Court confirming a plan of reorganization in the Chapter 11 Cases that does not (x) contain a provision for termination of the Revolver with payment in full in cash of all Obligations in a manner satisfactory to the Bank (whether simultaneously with or prior to the effective date of

such plan), and (y) provide for the continuation of the Bank's Liens and priorities until such effective date.

(r) An order shall be entered by the Bankruptcy Court dismissing all or part of the Chapter 11 Cases.

(s) An order with respect to the Chapter 11 Cases shall be entered without the express prior written consent of the Bank (i) to revoke, vacate, reverse, stay, modify, supplement or amend the credit facility contemplated under this Agreement, any Document, the Interim Financing Order or the Final Financing Order, as the case may be, or (ii) to permit any lien against the Borrower (now existing or hereafter arising, of any kind or nature whatsoever) to have priority equal or superior to the priority of the Bank in respect of the Collateral.

(t) An application for any of the orders described in clause (o) through (s) above shall be made by any Person, including the unsecured creditors' committee, and such application either (x) is supported, directly or indirectly, by the Borrower or any Affiliate of the Borrower, (y) is not being actively contested by the Borrower in good faith, or (z) is granted by the Bankruptcy Court.

(u) An order shall be entered which invalidates or reduces the Bank's Liens, claims or rights under this Agreement, the Interim Financing Order or the Final Financing Order or any action is commenced by any Debtor which contests the validity, perfection or enforceability of any Liens of the Bank created by this Agreement, any other Loan Documents, or any Order.

Then, in any of such listed Events of Default, any or all of the following actions may, subject to the Orders, be taken without further order of the Court: (i) the Bank may, at its option, declare this Agreement to be terminated forthwith, whereupon all of the Obligations, with accrued interest thereon and all other amounts owing in connection with the Obligations, shall be due and payable and the same shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived; (ii) the Bank shall be under no obligation to make any Loan, (iii) the Bank shall be afforded all rights and remedies provided under applicable law and under this Agreement, and under the Loan Documents and (iv) all right to the Entitlements shall be, without more, transferred and assigned to the Bank such that all 2005 and 2006 Entitlements shall thereafter be considered owned by the Bank and shall be distributed to the Bank for its own account with the caveat that any balance left in such in connection with the Entitlements once the Revolver is indefeasibly paid in full shall be relinquished to the Borrower.

Without limiting any of the Bank's rights and remedies hereunder or under the Note, if the entirety of any amount due hereunder or any required principal and/or interest payment under the Note is not paid in full within ten (10) days after the same is due, the Borrower shall pay to the Bank a late fee equal to five percent (3.00%) of the required payment. The minimum late fee with respect to any late payment shall be twenty-five dollars (\$25.00). The Borrower further agrees that after any stated or any accelerated

maturity of Loans hereunder; all Loans shall bear interest (computed daily) at a rate of 2.00% per annum in excess of the Prime Rate (the “*Default Rate*”), payable on demand. Notwithstanding the foregoing, in no event shall interest payable hereunder be in excess of the maximum rate of interest permitted under applicable law.

26. WAIVER OF JURY TRIAL. THE BORROWER AND THE BANK MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN DOCUMENTS OR ANY OTHER DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE BANK TO CONTINUE TO HOLD AVAILABLE THE REVOLVER AND TO MAKE LOANS FROM TIME TO TIME.

27. WAIVER OF RIGHT TO INTERPOSE COUNTERCLAIMS. THE BORROWER WAIVES THE RIGHT TO INTERPOSE ANY COUNTERCLAIM, EACH IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT COMTEMPLATED TO BE EXECUTED IN CONNECTION HERewith. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE BANK TO EXTEND CREDIT.

28. Governing Law; Severability. This Agreement and the rights and duties of the parties under this Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of New York. The provisions of this Agreement are severable and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof in such jurisdiction and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision in this Agreement in any jurisdiction.

29. Further Assurances. At any time after the date hereof, at the reasonable request of either party, the other party shall do or cause to be done all such further acts, and shall execute and deliver such further instruments, assignments, transfers, conveyances, or documents, as may reasonably be required in order to implement and carry out the intent and purpose of this Agreement and any documents executed in connection herewith.

30. Document Replacement. Upon receipt of an affidavit of an officer of the Bank as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon

surrender and cancellation of the Note or other Loan Document so mutilated, the Borrower will issue, in lieu thereof, a replacement Note or other Loan Document in the same principal amount thereof and otherwise of like terms and tenor.

31. Attorneys Fees. SUBJECT TO THE ORDERS, THE BORROWER SHALL BE RESPONSIBLE FOR ALL OF THE BANK'S REASONABLE ATTORNEYS' FEES INCURRED IN CONNECTION WITH THIS AGREEMENT. Without limiting the foregoing, upon entry of the Final Order, the Borrower shall pay the Bank its reasonable attorneys' fees due under the Pre-Petition Facility prior to and since the Filing Date. The Bank shall also be entitled to reimbursement of its ongoing reasonable attorneys fees under the Revolver. The Borrower shall pay all reasonable fees and expenses incurred by the Bank arising out of the collection and enforcement of the obligations of the Borrower under this Agreement and/or the other Loan Documents including, without limitation, reasonable attorneys fees and expenses. If an attorney is used to enforce or collect under this Agreement, the Borrower agrees to pay the Bank's reasonable attorneys' fees. The Debtors and the Official Committee of Unsecured Creditors shall have the ability to review all invoices submitted by counsel to the Bank and shall have the ability to object to the payment of such invoices within 10 days of receipt of each invoice. If no objection is interjected by the Debtors or the Official Committee of Unsecured Creditors within the 10-day period, to the payment of the invoice, the Debtors shall pay the invoice shortly thereafter.

32. Assignment. The Bank shall have the unrestricted right at any time or from time to time, and without the Borrower's consent, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "*Assignee*"), and the Borrower agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Agreement and to any other documents, instruments and agreements executed in connection herewith as the Bank shall deem necessary to effect the foregoing. In addition, at the request of the Bank and any such Assignee, the Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if the Bank has retained any of its rights and obligations hereunder following such assignment, to the Bank, which new promissory note(s) shall be issued in replacement of, but not in discharge of, the liability evidenced by the promissory note held by the Bank prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and the Bank after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by the Bank in connection with such assignment, and the payment by Assignee of the purchase price agreed to by the Bank, and such Assignee, such Assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Bank hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by the Bank pursuant to the assignment documentation between the Bank and such Assignee, and the Bank shall be released from its obligations hereunder and thereunder to a corresponding extent.

33. Pledge to Federal Reserve. The Bank may at any time pledge all or any portion of its rights under the Loan Documents including any portion of the promissory note to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or enforcement thereof shall release Bank from its obligations under any of the Loan Documents.

34. Survival. This Agreement and all of its conditions not satisfied prior to the first extension of credit hereunder, or to the extent not inconsistent with the provisions of the documents executed pursuant hereto or in connection herewith, shall survive such extension of credit. Furthermore, all of the covenants and other conditions of this Agreement shall survive any termination of the Revolver, and shall remain in full force and effect until the later of the date that all sums owing to the Bank by the Borrower shall have been paid in full and the date that the Bank shall have no obligation to lend any additional sums to the Borrower. This Agreement and the other Loan Documents contain the entire agreement of the parties with respect to the subject matter hereof and supersede all prior oral or written agreements or statements relating to such subject matter. None of the terms and provisions hereof or of the other Loan Documents may be changed, waived, discharged or terminated or may any material departure from the provisions hereof or thereof be consented to, except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, termination or consent is sought. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the foregoing, acceptance by Bank of any sum required to be paid pursuant hereto or any other Loan Document after its due date, or in an amount less than the sum then due, shall not constitute a waiver by Bank of its right to require prompt payment when due of all other such sums or to declare a default or to exercise such other rights provided herein or in the other Loan Documents for such late or reduced payment.

35. Certain Definitions

As used in the Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Affiliate,” means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person. For the purposes of this definition, “control”, when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Credit Period” means the period from the Interim Financing Order Date through the Maturity Date.

“Final Financing Order” means an order of the Bankruptcy Court (in the form agreeable to the Bank) approving this Agreement and the other Documents, as such order may be amended, modified or supplemented from time to time with the express written

consent of the Bank and the approval of the Bankruptcy Court, which order (i) shall be in full force and effect, (ii) has not been vacated, modified (without the express written consent of the Bank as set forth hereinbefore), reversed, or stayed, and (iii) no appeal from said order has been filed in which the Bank's lack of good faith has been raised.

"Final Financing Order Date" means the date (which shall take place as soon as practicable but no later than October 21, 2005) on which the Final Financing Order shall have been duly entered by the Bankruptcy Court.

"Governmental Entity" means the United States of America, any state, any political subdivision of a state and any agency or instrumentality of the United States of America or any state or political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government. Payments from Governmental Entities shall be deemed to include payments governed under the Social Security Act (42 U.S.C. §§ 1395 et seq.), including payments under Medicare, Medicaid and TRICARE/CHAMPUS, and payments administered or regulated by the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services.

"Interim Financing Order" means the order of the Bankruptcy Court in form, scope and substance acceptable to the Bank (which order shall include a statement providing that the provisions of the Documents create legal and valid Liens in the Collateral in the Bank's favor and will constitute a perfected and continuing Lien on all of the Collateral, having priority over all other Liens of third parties, as such order may be amended, modified or supplemented from time to time with the express written consent of the Bank and the approval of the Bankruptcy Court, which order (i) shall be in full force and effect, (ii) has not been vacated, modified (without the express written consent of the Bank), reversed, or stayed, and (iii) no appeal from said order has been filed in which the lack of good faith has been raised.

"Interim Financing Order Date" means the date (which shall take place as soon as practicable but no later than October 1, 2005) on which each of the following shall have occurred: (i) the Interim Financing Order shall have been duly entered by the Bankruptcy Court and shall be in full force and effect, and (ii) Bank shall have determined that all conditions shall have been duly satisfied or waived by the Bank.

"Lien" means any lien, mortgage, security interest, tax lien, pledge, hypothecation, assignment, preference, priority, other charge or encumbrance, or any other type of preferential arrangement of any kind or nature whatsoever by or with any Person (including, without limitation, any conditional sale or title retention agreement), whether arising by contract, operation of law, or otherwise.

"Material Adverse Effect" means any event, condition, change or effect that (a) has a materially adverse effect on the condition, financial or otherwise, operations, assets, liabilities or business of the Borrower and the Guarantors from the Initial Funding Date, (b) materially impairs the ability of the Borrower to perform its obligations under this Agreement or any of the other Documents, (c) imposes any obligation on the Bank,

compliance with which would materially impair such Person's ability to receive its contemplated economic benefits hereunder or under the Orders, or (d) materially impairs the validity or enforceability of, or materially impairs the rights, remedies or benefits available to the Bank, under this Agreement or any other Loan Documents.

"Orders" means the Interim Financing Order and the Final Financing Order and any orders modifying any of the foregoing in accordance with the Loan Documents.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

36. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

COMMERCE BANK, N.A.

By: _____
Name: Emmet Conlon
Title: Vice President

SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK

By: _____
Name: _____
Title: _____

CMC PHYSICIANS SERVICES, P.C., Guarantor

By: _____
Name: _____
Title: _____

CMC RADIOLOGICAL SERVICES, P.C., Guarantor

By: _____

Name: _____
Title: _____

CMC CARDIOLOGY SERVICES, P.C., Guarantor

By: _____
Name: _____
Title: _____

CMC OCCUPATIONAL HEALTH SERVICES, P.C., Guarantor

By: _____
Name: _____
Title: _____

MEDICAL SERVICE OF ST. VINCENT'S HOSPITAL AND MEDICAL CENTER,
P.C., Guarantor

By: _____
Name: _____
Title: _____

SURGICAL SERVICE OF ST. VINCENT'S, P.C., Guarantor

By: _____

Name: _____

Title: _____