

LOAN AND SECURITY AGREEMENT, dated as of July 5, 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 Bankruptcy Code (as hereinafter defined), the Guarantors named herein and signatory hereto as debtors and debtors-in-possession under chapter 11 of the Bankruptcy Code, the Lenders party hereto from time to time (the "**Lenders**"), and HFG HEALTHCO-4 LLC, a Delaware limited liability company, as a Lender and as agent for the Lenders (in such capacity, together with its successors and assigns, the "**Agent**").

Certain terms that are capitalized and used throughout this Agreement are defined in Exhibit I to this Agreement. References herein, and in the Exhibits and Schedules hereto, to the "Agreement" refer to this Agreement, as amended, restated, modified or supplemented from time to time in accordance with its terms (the "**Agreement**").

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, Saint Vincents Catholic Medical Centers of New York borrowed funds from HFG Healthco- 4 LLC to fund its working capital and operating needs pursuant to that certain Loan and Security Agreement, dated as of May 21, 2004, as amended (the "**Pre-Petition Facility**").

The Borrower and each of the Guarantors have requested that the Lender provide to the Borrower a revolving credit facility of up to \$100,000,000 secured by the Collateral (as defined below), the proceeds of which are to be used (1) for the refinancing of all existing Pre-Petition Debt under the Pre-Petition Facility pursuant to Section 1.01(f) below, and (2) for additional working capital and general corporate purposes, and the Lender has agreed to make available to the Borrower a 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:

ARTICLE I COMMITMENT; AMOUNTS AND TERMS OF THE REVOLVING LOAN

§ 1.01. Revolving Advances. (a) Each Lender, severally and not jointly, agrees to lend from time to time to the Borrower, subject to and upon the terms and conditions herein set forth and subject to the Orders, on any Funding Date, its Pro Rata Share of such amounts as in accordance with the terms hereof may be requested by the Borrower from time to time (each such borrowing, a "**Revolving Advance**" and the aggregate outstanding principal balance of all Revolving Advances from time to time, the "**Revolving Loan**").

(b) The Revolving Advances made by the Lenders on any Funding Date shall be made by the Lenders ratably in accordance with their respective Revolving Commitments. Each Revolving Advance shall be in a minimum amount of \$100,000 and shall be made on the date specified in the Borrower's Certificate, or telephonic notice confirmed in writing, as described in Section 1.03 hereof.

(c) Each Lender, at its option, may make any Revolving Advance by causing any domestic or foreign branch or Affiliate of such Lender to make such Revolving Advance; *provided* that any exercise of such option shall not affect the obligation of the Borrower to repay such Revolving Advance in accordance with the terms of this Agreement.

(d) Each Lender shall make each Revolving Advance to be made by it hereunder on the proposed Funding Date thereof by wire transfer of immediately available funds by 12:00 noon, (New York City time) to the account of the Agent most recently designated by it for such purpose by notice to the Lenders. The Agent will make such Revolving Advances available to the Borrower by promptly transferring the amount so received, in like funds, to the Borrower Account. The failure of any Lender to make any Revolving Advance or portion thereof required to be made by it shall not relieve any other Lender of its obligations hereunder; *provided* that the Revolving Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Revolving Advances as required.

(e) It is agreed that each Lender's funded portion of the Revolving Loan is intended by the Lenders to be equal at all times to such Lender's Pro Rata Share of the outstanding Revolving Loan. Notwithstanding such agreement, the Agent and the other Lenders agree (which agreement shall not be for the benefit of or enforceable by the Borrower) that in order to facilitate the administration of this Agreement and the other Program Documents, settlement among them as to the Revolving Advances shall take place on a periodic basis.

(f) The Borrower hereby requests on the Initial Funding Date a special Revolving Advance in the amount of (x) \$35,730,026.88 (the "**Rollover Amount**") *minus* (y) the Gap Collection Amount. The Borrower hereby directs the Agent and the Lenders to apply the full amount of the Collections representing the Gap Collection Amount and the initial Revolving Advance set forth hereunder towards the payment in full of the Pre-Petition Debt, thereupon which the obligations, duties and commitments of the Borrower and the Guarantors under the Pre-Petition Facility are hereby terminated (other than with respect to the provisions of Sections 1.09 (indemnities), 5.05 (costs and expenses) and 5.08 (no liability) that, by the terms of Section 6.07 of the Pre-Petition Facility, survive such termination).

§ 1.02. Revolving Commitment and Borrowing Limit. (a) The aggregate principal amount of Revolving Advances made by any Lender shall not at any time exceed the amount of such Lender's Revolving Commitment. Notwithstanding the foregoing, the Revolving Loan at any time shall not exceed an amount equal to the least of (i) the Total Revolving Commitment, (ii) the Borrowing Base minus Accrued Amounts

as of such time, (iii) prior to the Interim Financing Order Date, the Emergency Amount, and (iv) prior to the Final Financing Order Date, the Interim Amount (the least of (i), (ii), (iii) and (iv) being the “**Borrowing Limit**”).

(b) Subject to the limitations herein and of Exhibit II hereof, the Borrower may borrow, repay (without premium or penalty) and reborrow under the Total Revolving Commitment. The Revolving Loan shall not exceed, and the Lenders shall not have any obligation to make any Revolving Advance which shall result in the Revolving Loan being in excess of, the Borrowing Limit; *provided, that*, the Borrower may request, and the Agent may make and maintain at its sole and absolute discretion, one or more Overadvances from time to time, so long as, following the funding of any Overadvance, the Revolving Loan does not exceed the Overadvance Limit.

(c) If at any time the Revolving Loan exceeds the Borrowing Limit at such time, the Borrower shall promptly, in accordance with Article III hereof, eliminate such excess by paying an amount equal to such excess until such excess is eliminated in full.

§ 1.03. Notice of Borrowing; Borrower’s Certificate. Whenever the Borrower desires a Revolving Advance be made, other than with respect to the Revolving Advance to be made on the Initial Funding Date, the Borrower shall, not later than 2:00 p.m. (New York time) one Business Day prior to the proposed Funding Date of the Revolving Advance, give the Agent and the Program Manager Written Notice or telephonic notice from an Authorized Officer confirmed promptly by a Written Notice (which notice, in each case, shall be irrevocable) of its desire to make a borrowing of a Revolving Advance. Each notice of borrowing under this Section 1.03 shall (i) be signed by the Borrower, and (ii) be substantially in the form of Exhibit VII-B hereto (each, a “**Borrower’s Certificate**”) and specify the date on which the Borrower desires to make a borrowing of a Revolving Advance (which in each instance shall be a Funding Date) and the requested amount of the proposed Revolving Advance. In addition, on the Business Day immediately prior to the proposed Funding Date, not later than 2:00 p.m. (New York time), the Borrower shall deliver to the Agent a Borrowing Base Certificate dated as of such date. Promptly following receipt of a Borrower’s Certificate in accordance with this Section, the Agent shall advise each Lender of the details thereof and of the amount of such Lender’s portion of the requested Revolving Advance.

§ 1.04. Termination of Total Revolving Commitment. On the Maturity Date, the Total Revolving Commitment shall be cancelled automatically. Upon such cancellation, the Revolving Loan (together with all other Lender Debt) shall become, without further action by any Person, immediately due and payable together with all accrued interest thereon plus any fees, premiums, charges or costs provided for hereunder with respect thereto and, if the Maturity Date occurs at any time prior to 60 days prior to the scheduled end of the Initial Term. On the Maturity Date, the Total Revolving Commitment shall be canceled automatically. In addition, prior to the Maturity Date, the Borrower may terminate the Revolving Commitment pursuant to Section 5.07(b). Upon such cancellation the Revolving Loan (together with all other Lender Debt then existing and thereafter accruing) shall become, without further action

by any Person, immediately due and payable, subject to the rights of holders of Permitted Liens, from the distribution of Collections in the manner set forth herein and from the disposition of proceeds from the Collateral.

§ 1.05. Interest and Fees. (a) Interest. The Borrower shall pay interest on the average daily Outstanding Balance of the Revolving Loan during the prior Month (i) on the first Business Day of each Month, and (ii) on the Maturity Date (whether by acceleration or otherwise), in each case, at an interest rate per annum equal to LIBOR *plus* the Applicable Margin.

(b) Default Interest. Notwithstanding anything to the contrary contained herein, interest on the Revolving Loan shall be payable at a rate *per annum* equal to 2.50% in excess of the rate then otherwise applicable to the Revolving Loan following any Event of Default or any other event that would constitute an Event of Default but for the delivery of a notice or certificate hereunder by the Borrower or the Agent.

(c) Non-Utilization Fee. The Borrower shall pay to the Agent, for the account of each Lender, on the first Business Day of each Month and the Maturity Date a non-refundable fee (the “**Non-Utilization Fee**”) equal to 0.50% *per annum* on the average amount, calculated on a daily basis, by which the Revolving Commitment of such Lender exceeded the Revolving Loan during the prior Month.

(d) Collateral Manager’s Fee. The Borrower shall pay to the Agent, for its own account, the non-refundable Collateral Manager’s Fee on the first Business Day of each Month.

(e) Facility Fees. The Borrower shall pay to the Program Manager a non-refundable facility fee equal to \$375,000 on the earliest to occur of (x) the Final Financing Order Date, (y) the Maturity Date, and (z) the payment in full of the Lender Debt by the Borrower pursuant to Section 1.06(a); *provided, that* the Program Manager acknowledges prior receipt of the initial \$225,000 of such facility fee. On the date that the Borrowing Limit exceeds \$75,000,000, the Borrower shall pay to the Program Manager an additional non-refundable facility fee equal to \$125,000. On each of the 12-month anniversary and the 18-month anniversary of the Initial Funding Date, the Borrower shall pay to the Program Manager a non-refundable facility extension fee equal to 0.25% of the Total Revolving Commitment, unless, not less than 60 days prior to such anniversary date, either (x) the Borrower has delivered a Voluntary Termination Notice in the manner contemplated under Section 5.07(a) hereto, or (y) the Maturity Date has been declared by the Agent.

(f) Agent’s Fees. On the Initial Funding Date and on the first day (or if such date is not a Business Day, the next succeeding Business Day) of each of January, April, July and October, the Borrower shall pay to the Program Manager a non-refundable fee (the “**Agent’s Fee**”) equal to \$25,000 in immediately available funds.

(g) Exit Fee. On the Maturity Date, the Borrower shall pay to the

Program Manager a non-refundable exit fee equal to 1% of the Total Revolving Commitment; which fee may be credited dollar-for-dollar against an exit facility fee provided by the Agent or any other Affiliate of the Program Manager.

§ 1.06. Voluntary and Mandatory Reductions. (a) The Borrower may on any Funding Date reduce the outstanding principal amount of the Revolving Loan; *provided, however,* that the Borrower shall provide the Agent and the Program Manager with at least two weeks' prior Written Notice to the extent such reduction shall be more than \$10,000,000. Promptly following receipt of any such notice, the Agent shall advise the Lenders of the contents thereof.

(b) The Borrower shall apply 100% of all Net Proceeds from any Division Sale in reduction of the Revolving Loan, and the Liquidity Reserve Amount shall automatically be increased by an amount equal to the amount of such Net Proceeds; *provided, that* the aggregate amount of all additions to the Liquidity Reserve Amount under clauses (b) and (c) of this Section 1.06 shall not exceed \$10,000,000.

(c) The Borrower shall apply 100% of all Net Proceeds from Asset Sales in reduction of the Revolving Loan and the Liquidity Reserve Amount shall automatically be increased by an amount equal to the amount of such Net Proceeds; *provided, that* the aggregate amount of all additions to the Liquidity Reserve Amount under clauses (b) and (c) of this Section 1.06 shall not exceed \$10,000,000.

§ 1.07. Computation of Interest. (a) Interest on the Revolving Loan and fees and other amounts calculated by the Agent on the basis of a rate per annum shall be computed on the basis of actual days elapsed over a 360-day year.

(b) Whenever any payment to be made hereunder or under any other Document shall be stated to be due and payable on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall in such case be included in computing interest on such payment.

(c) For the purpose of calculating interest and the Collateral Manager's Fee hereunder, including pursuant to clause THIRD of Section 2.02, Collections shall be deemed applied hereunder only following a three Business Day clearance period applied thereto.

§ 1.08. Procedures for Payment. (a) Each payment hereunder shall be made not later than 12:00 noon (New York City time) on the day when due in lawful money of the United States of America to the Agent without counterclaim, offset, claim or recoupment of any kind and free and clear of, and without deduction for, any present or future withholding or other taxes, duties or charges of any nature imposed on such payments or prepayments by or on behalf of any Governmental Entity thereof or therein, except for Excluded Taxes (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities hereinafter referred to as "**Taxes**"), and the Agent shall distribute any such payments received by it in accordance with Article III hereof. If any such Taxes are so levied or imposed on any payment to any Lender, the Borrower

will make additional payments in such amounts as may be necessary so that the net amount received by such Lender, after withholding or deduction for or on account of all Taxes, including deductions applicable to additional sums payable under this Section 1.08, will be equal to the amount provided for herein. Whenever any Taxes are payable by the Borrower with respect to any payments hereunder, the Borrower shall furnish promptly to the Agent information, including certified copies of official receipts (to the extent that the relevant Governmental Entity delivers such receipts), evidencing payment of any such Taxes so withheld or deducted. If the Borrower fails to pay any such Taxes when due to the appropriate taxing authority or fails to remit to the Agent the required information evidencing payment of any such Taxes so withheld or deducted, the Borrower shall indemnify the Lenders for any incremental Taxes, interest or penalties that may become payable by any Lender as a result of any such failure.

(b) Notwithstanding anything to the contrary contained in this Agreement, the Borrower agrees to pay any present or future stamp or documentary taxes, any intangibles tax or any other sales, excise or property taxes, charges or similar levies now or hereafter assessed that arise from and are attributable to any payment made hereunder or from the execution, delivery of, or otherwise with respect to, this Agreement or any other Program Documents and any and all recording fees relating to any Program Documents securing any Lender Debt ("**Other Taxes**").

(c) The Borrower shall indemnify each Lender for the full amount of any and all Taxes and Other Taxes (including, without limitation, any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 1.08) duly paid or payable by such Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. Indemnification payments due any Lender under this Section 1.08 shall be made within 30 days from the date such Lender makes written demand therefor.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 1.08 shall survive the payment in full of principal and interest hereunder.

§ 1.09. Indemnities. (a) The Borrower hereby agrees to indemnify the Agent and each Lender on demand against any loss or expense which the Agent or such Lender or a branch or an Affiliate of such Person may sustain or incur as a consequence of: (i) any default in payment or prepayment of the principal amount of any Revolving Advance or any portion thereof made to it or any portion thereof or interest accrued thereon, as and when due and payable (at the due date thereof, by irrevocable notice of payment or prepayment, or otherwise); (ii) the effect of the occurrence of any Event of Default upon any Revolving Advance or any portion thereof made to it; (iii) the payment or prepayment of the principal amount of any Revolving Advance or any portion thereof made to it on any day other than a Funding Date; or (iv) the failure by the Borrower to accept a Revolving Advance or any portion thereof after the Borrower has requested such borrowing; *in each case* including, but not limited to, any loss or expense sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Revolving Advance or any portion thereof.

The Agent or Lender, as applicable, shall provide to the Borrower a statement, supported when applicable by documentary evidence, explaining the amount of any such loss or expense it incurs, which statement shall be conclusive absent manifest error.

(b) The Borrower hereby agrees to indemnify and hold harmless the Agent, each Lender, the Program Manager and each of their respective Affiliates, directors, officers, agents, representatives, counsel and employees and each other Person, 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 Revolving Advances, or the financings contemplated hereby, the other Program Documents, the Collateral (including, without limitation, the use thereof by any of such Persons or any other Person, the exercise by any Indemnified Party of rights and remedies or any power of attorney with respect thereto, and any action or inaction of any Indemnified Party under and in accordance with any Program Documents), 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 of any Claim setting forth a description of those elements of the Claim of which such Indemnified Party has knowledge. The Agent, 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.

(c) To the extent that the Borrower fails to pay any amount required

to be paid by it to the Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Agent such Lender's Pro Rata Share (determined as of the time that the unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred or asserted against the Agent in its capacity as such.

§ 1.10. Telephonic Notice. Without in any way limiting the Borrower's obligation to confirm in writing any telephonic notice of a borrowing, the Agent may act without liability upon the basis of telephonic notice believed by the Agent in good faith to be from an Authorized Officer or any other authorized representative of the Borrower prior to receipt of written confirmation.

§ 1.11. Maximum Interest. (a) No provision of this Agreement shall require the payment to any Lender or permit the collection by any Lender of interest in excess of the maximum rate of interest from time to time permitted (after taking into account all consideration which constitutes interest) by laws applicable to the Lender Debt and binding on such Lender (such maximum rate being such Lender's "**Maximum Permissible Rate**").

(b) If the amount of interest (computed without giving effect to this Section 1.11) payable on the first Business Day of each Month in respect of the preceding interest computation period would exceed the amount of interest computed in respect of such period at a Lender's Maximum Permissible Rate, the amount of interest payable to such Lender on such date in respect of such period shall be computed at such Lender's Maximum Permissible Rate.

(c) If at any time and from time to time: (i) the amount of interest payable to a Lender on the first Business Day of each Month shall be computed at the Maximum Permissible Rate pursuant to the preceding subsection (b); and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Lender would be less than the amount of interest payable to such Lender computed at the Maximum Permissible Rate, then the amount of interest payable to such Lender in respect of such subsequent interest computation period shall continue to be computed at the Maximum Permissible Rate until the amount of interest payable to such Lender shall equal the total amount of interest which would have been payable to such Lender if the total amount of interest had been computed without giving effect to the preceding subsection (b).

§ 1.12. Use of Proceeds. The Borrower shall use the proceeds of the Revolving Loan solely for the Borrower's and Guarantors' working capital needs, capital expenditures, restructuring expenses (including bankruptcy administration expenses), adequate protection payments, and other cash payments (including the Rollover Amount), but only in a manner consistent with (i) the Emergency Budget at all times prior to the Interim Financing Order Date, (ii) the Interim Budget at all times following the Interim Financing Order Date and prior to the Final Financing Order Date, and (iii) the Final Budget at all times following the Final Financing Order Date, all as more fully

provided in an order approved by the Agent and the Bankruptcy Court.

ARTICLE II COLLECTION AND DISTRIBUTION

§ 2.01. Collections on the Receivables. (a) The Agent, for the benefit of the Lenders, shall be entitled with respect to all Receivables (subject to the rights of holders of Permitted Liens), (i) to receive and to hold as collateral all Receivables and all Collections on Receivables, which amounts (other than Collections of the Parking Garage Receivables and the St. Dominic's Receivables) shall be deposited *exclusively* in the Lockbox Accounts in accordance with the Depositary Agreements, and (ii) to have and to exercise any and all rights, to the extent permitted by and in a manner consistent with the Orders, record, track and to take all actions to obtain Collections with respect to all Receivables.

(b) The Borrower agrees that it will issue a Revocation Order only following receipt of an order from the Bankruptcy Court granting the Borrower permission to take such action.

(c) Special Terms Relating to CCC Receivables.

(i) The Agent and the Lenders acknowledge and agree that the Lien of CCC on the CCC Receivables is and shall continue to be prior to the Lien of the Agent, for the benefit of the Lenders, in such Receivables on the terms set forth in the CCC Intercreditor Agreement. The Borrower agrees to deliver to the Agent on or prior to each Monthly Report Date, a CCC Estimation Report. On each Business Day, the Borrower hereby instructs the Agent to deposit, and the Agent hereby agrees to deposit to the Borrower's CCC Control Account, an amount equal to the CCC Daily Estimation Distribution; *provided*, that, on any Business Day, if Collections deposited in the Collection Account on such Business Day, are less than the CCC Daily Estimation Distribution, the Agent shall deposit such lesser amount into the Borrower's CCC Control Account, and such deficiency in Collections for such Business Day shall be added to the amount to be deposited into the Borrower's CCC Control Account on the following Business Day. Except with respect to CCC Distribution Shortfall Amounts as set forth in clause (ii) below, following the distribution of the CCC Daily Estimation Distribution in the manner set forth in this clause (i), the Agent and the Lenders shall have no further liability or obligations to the Borrower, CCC or any other Person with respect to collections on CCC Receivables.

(ii) The Borrower agrees to deliver to the Agent, on or prior to each Monthly True-Up Report Date, a CCC Monthly True-Up Report. In the event that there is a CCC Distribution Shortfall Amount for any Month, the Borrower, the Agent and the Lenders agree that, effective as of the Monthly True-Up Report Date, an amount of Collections distributed to the Borrower (including amounts deposited in the Borrower Account) during the immediately prior Month equal to such CCC Distribution Shortfall Amount (to the extent not previously or concurrently deemed to constitute Collections of any other class of

Receivables) shall be deemed to constitute Collections of the CCC Receivables (and not a portion of a Revolving Advance); *provided*, that if the aggregate amount of all Collections distributed to the Borrower (including amounts deposited in the Borrower Account) during such immediately prior Month did not at least equal the CCC Distribution Shortfall Amount (such deficiency, the “**CCC Lender Shortfall Amount**”), then, on the next Business Day following the Monthly True-Up Report Date, the Lenders shall deposit into the CCC Control Account an amount equal to such CCC Lender Shortfall Amount. Following such deposit or designation, to the extent so required, in the manner set forth in this clause (ii) or Section 2.04, the Agent and the Lenders shall have no further liability or obligations to the Borrower, CCC or any other Person with respect to collections on CCC Receivables.

(iii) In the event that there is a CCC Distribution Surplus Amount for any Month, CCC agrees, as set forth in the CCC Intercreditor Agreement, that on the next Business Day following the Monthly True-Up Report Date, CCC shall deposit into the Collection Account an amount equal to such CCC Distribution Surplus Amount. Following such deposit, to the extent so required, in the manner set forth in this clause (iii) or Section 2.04, CCC shall have no further liability or obligations to the Borrower, the Agent, the Lenders or any other Person with respect to such Collections.

(iv) If, for any reason, the Borrower is unable to prepare the CCC Estimation Report or the CCC Monthly True-Up Report for any Month, CCC shall pursuant to the CCC Intercreditor Agreement agree to prepare and deliver to the Agent, and the Agent shall be entitled to rely upon, a substitute CCC Estimation Report or CCC Monthly True-Up Report for any such Month, which substitute report shall be subject to the review and approval of the Program Manager, such approval not to be unreasonably withheld or delayed.

(d) The rights of the Agent and the Lenders in the Receivables are subject to the rights of the holders of Permitted Liens to the extent permitted by and in a manner consistent with the Orders.

§ 2.02. Distribution of Funds. On each Business Day the Agent shall distribute any and all cash Collections received in the Collection Account prior to 12:00 p.m. (New York City time) on such Business Day (following distribution of amounts required to be distributed with respect to the CCC Receivables pursuant to Sections 2.01(b) or Section 2.04 hereof) as follows: **FIRST**, to the Lenders and the Agent, on a *pro rata* basis, an amount in cash equal to fees, interest and expenses that are due and payable as of such Business Day and have not otherwise been paid in full by the Borrower, if any, until such amounts have been paid in full; **SECOND**, to each Lender, its Pro Rata Share of an amount in cash equal to the Borrowing Base Deficiency, if any, until such amount is paid in full; **THIRD**, to each Lender, its Pro Rata Share of an amount in cash equal to the reduction of the principal amount of the Revolving Loan, until such amount has been paid in full; **FOURTH**, to each Lender, its Pro Rata Share of an amount in cash equal to the payment of any other Lender Debt due and payable on

such Business Day, if any, until such amount has been paid in full; and **FIFTH**, to the Borrower in the Borrower Account or such other account or accounts directed by the Borrower from time to time, all remaining amounts of Collections, as requested; *provided, that*, commencing on the Initial Deposit Date for each Month, but subject to any order of the Bankruptcy Court to the contrary directing the Agent and the Lenders to forward Mortgage Priority Collections (or any other Collections) directly to the Borrower, the Agent shall deposit the Mortgage Priority Collections, if any, into the Issuance Designated Accounts in an amount equal to the Mortgage Priority Amounts for the next succeeding Month, or such lesser amount sufficient to cause funds on deposit in the Issuance Designated Accounts to equal the Mortgage Priority Amounts, and the Agent and the Lenders hereby agree that, commencing as of such Initial Deposit Date unless subject to any order of the Bankruptcy Court to the contrary directing the Agent and the Lenders to forward Mortgage Priority Collections (or any other Collections) directly to the Borrower, no distributions of Mortgage Priority Receivables shall be made pursuant to this Section 2.02 until such time as the Mortgage Priority Collections required to be deposited into the Issuance Designated Accounts pursuant to this Section 2.02 have been made. The Borrower hereby authorizes the Agent to withdraw from all Collections to make payment (in whole or, if such amounts are insufficient to make payment in whole, then to make payment in part) of any amounts of Lender Debt then due and payable hereunder. In the event that the Borrower does not make payment of any amounts of Lender Debt due and payable in cash, the Borrower hereby authorizes the Lender, at the Lender's sole election and discretion, to cause a Revolving Advance to be made and to apply the amount of such Revolving Advance towards the payment of such amounts of Lender Debt.

§ 2.03. Limitations on Same Day Distributions. (a) In the event that the Agent has not received an Allocation Report for three successive Business Days, the Agent may elect not to make distributions from Collections until such Allocation Report is received; *provided that* the Agent shall continue to make the CCC Daily Estimation Distribution, and the Agent and CCC shall continue to make payments of CCC Adjustment Amounts (*provided that* if the Agent provides CCC with evidence or other documentation demonstrating that collections relating to the CCC Receivables have significantly changed, whether by way of increase or decrease, such that the CCC Daily Estimation Distribution is no longer reasonable estimate of average daily collections on the CCC Receivables during such period, then the Agent shall use all reasonable efforts to agree upon with CCC an adjusted and mutually acceptable CCC Daily Estimation Distribution, which shall be utilized to continue making payments of the CCC Daily Estimation Distribution). Following the Filing Date, until otherwise agreed upon by CCC, the Agent shall not make distributions from Collections except pursuant to an Allocation Report or an Estimated Allocation Report; *provided that* the Agent shall continue to make the CCC Daily Estimation Distribution, and the Agent and CCC shall continue to make payments of CCC Adjustment Amounts (*provided that* if the Agent provides CCC with evidence or other documentation demonstrating that collections relating to the CCC Receivables have significantly changed, whether by way of increase or decrease, such that the CCC Daily Estimation Distribution is no longer a reasonable estimate of average daily collections on the CCC Receivables during such period, then the Agent shall use all reasonable efforts to agree upon with CCC an adjusted and mutually

acceptable CCC Daily Estimation Distribution, which shall be utilized to continue making payments of the CCC Daily Estimation Distribution). The Agent shall be entitled to rely exclusively on an Allocation Report without further verification.

(b) In the event that (x) either (i) the Agent has not received an Allocation Report for three successive Business Days, or (ii) unless otherwise agreed upon by CCC, the Agent has not received an Allocation Report on any Business Day, and (y) the Agent reasonably believes that the capacity of the Borrower to produce Allocation Reports in a timely and accurate manner has been compromised, then, until such time that the Borrower is capable of producing Allocation Reports in a timely and accurate manner, on any Business Day (based on historical collection information and patterns and other Receivable information available to the Agent and the Program Manager) the Agent may produce a report (an “**Estimated Allocation Report**”) setting forth an estimated allocation of Collections since the last Allocation Report or Estimated Allocation Report, in substantially the same form of an Allocation Report or the CCC Estimation Report; *provided that* unless the Agent provides CCC with documentation demonstrating that collections relating to the CCC Receivables have significantly changed, whether by way of increase or decrease, such that the CCC Daily Estimation Distribution is no longer a reasonable estimate of average daily collections on CCC Receivables during such period, the Estimated Allocation Report shall reflect the CCC Daily Estimation Distribution, and in the event that the Agent provides CCC with documentation demonstrating that collections relating to the CCC Receivables have significantly changed, whether by way of increase or decrease, the Agent shall jointly and cooperatively with CCC produce the portion of the Estimated Allocation Report relating to collections on the CCC Receivables. On any Business Day that the Agent produces an Estimated Allocation Report, the Agent shall provide a copy of such Estimated Allocation Report no later than 10:00 am (New York City time) to CCC. The Agent may make distributions of Collections based on such Estimated Allocation Report in the manner contemplated hereunder; *provided, that* in the event that CCC notifies the Agent in writing that it reasonably disputes the estimates set forth in the Estimated Allocation Report by 3:00 pm (New York City time) on such Business Day (and sets forth the basis of such objection and the amounts in dispute), then the Agent shall maintain in the Collection Account an amount equal to the disputed amounts until such dispute is reasonably resolved among the Agent and CCC (*provided that* the Agent may continue to make distributions of the undisputed amount relating to such Collections based on such Estimated Allocation Report in the manner contemplated hereunder). The Agent shall be entitled to rely exclusively on such Estimated Allocation Report (except to those portions of the report subject to dispute) and, absent manifest error in the preparation thereof, and, except as set forth in clause (c) below, shall not be responsible in any fashion nor incur any liability, return or turnover obligation with respect to future Collections as a result of relying on the validity of such report and distributing Collections in accordance therewith.

(c) On the first Business Day that an Allocation Report is produced following the making of distributions of Collections in reliance on one or more Estimated Allocation Reports, the Agent will deposit to the CCC Control Account an amount, if any, equal to the positive difference between Collections that are identified to the Agent in

such Allocation Report as arising from CCC Receivables and the amount of Collections distributed to the Borrower pursuant to Sections 2.01 through 2.04 hereof, inclusive, (including, without limitations, amounts deposited in the CCC Control Account) since the date reported in the immediately prior Allocation Report. For purposes of determining the amount to be deposited into the CCC Control Account pursuant to this clause (c), Collections previously provided to the Borrower, including funds previously deposited in the CCC Control Account, shall be deemed to constitute the Collections of the CCC Receivables (and not a portion of a Revolving Advance) and, to the extent that such amounts do not at least equal the full amount of Collections identified in such Allocation Report as arising from CCC Receivables, the Agent may designate and deem any Collections to be distributed, or Collections previously distributed to the Borrower that have not been designated as Collections arising from any other class of Receivables, as Collections of CCC Receivables (and not a portion of a Revolving Advance), and following such designation, the Agent and the Lenders shall have no further liability or obligations to the Borrower, CCC or any other Person with respect to such designated Collections, and the amount to be deposited by the Agent into the CCC Control Account in accordance with clause (b) above shall be reduced by the amount of the Collections so designated.

§ 2.04. Allocation of Servicer Responsibilities. (a) Tracking of Collections and other transactions pertaining to the Receivables shall be administered by the Program Manager in a manner consistent with the terms of this Agreement, including, without limitation, Exhibit X hereto. The responsibilities of the Borrower and the Guarantors to the Program Manager have been set forth in Exhibits X and XI hereto. Subject to clause (b) of this Section 2.04, the Borrower and the Guarantors shall establish and maintain the Transmission of the Receivable Information to the Program Manager, including, without limitation, the matters described in Exhibits X and XI, and shall provide promptly to the Program Manager such other information as the Agent or the Program Manager may request from time to time.

(b) The Borrower hereby agrees to perform the administration and servicing obligations set forth in Exhibit X hereto with respect to the Receivables (the “**Primary Servicing Responsibilities**”), which performance may be through an outplacement to a recognized third-party servicing and collection firm who is bound to use all commercially reasonable efforts to maximize collections; *provided, however*, any such outplacement of Primary Servicing Responsibilities shall not relieve the Borrower of its obligation to perform the Primary Servicing Responsibilities. The Agent may, and at the request of the Required Lenders shall, at any time following the occurrence of an Event of Default and subject only to the Orders appoint another Person to succeed the Borrower in the performance of the Primary Servicing Responsibilities (which replacement shall be effectuated through the outplacement to a recognized third-party collection firm obligated to use commercially reasonable efforts to maximize collections in accordance with the provisions of Article 9 of the UCC).

§ 2.05. Distributions to the Borrower Generally. Distributions to the Borrower on each Business Day shall be deposited in the Borrower Account.

ARTICLE III REPRESENTATIONS AND WARRANTIES; COVENANTS; EVENTS OF DEFAULT

§ 3.01. Representations and Warranties; Covenants. The Loan Parties make on the Initial Funding Date, and on each subsequent Funding Date, the representations and warranties set forth in Exhibit III hereto, and hereby agree to perform and observe the covenants set forth in Exhibit IV hereto; *provided, that* the Agent and the Lenders hereby authorize and consent to the Borrower making modifications and additions to Schedule II hereto on or prior to the Interim Financing Order Date, with respect to facts and circumstances arising prior to the Filing Date.

§ 3.02. Events of Default; Remedies. (a) If any Event of Default shall occur and be continuing, the Agent may subject only to the Orders, and at the request of the Required Lenders shall, take either or both of the following actions: (x) declare the Maturity Date to have occurred, and (y) without limiting any rights hereunder or under applicable law, (1) replace the Borrower and the Borrower's agent in its performance of any or all of the "Primary Servicer Responsibilities" in the manner contemplated in Section 2.04(b), and (2) exercise any and all rights and remedies with respect to the Collateral which it may have under this Agreement, together with all other rights and remedies provided after default under the UCC and under other applicable law, which rights and remedies shall be cumulative.

(b) Right of Set-Off. The Borrower hereby irrevocably authorizes and instructs the Agent, subject only to the Orders, to set-off the full amount of any Lender Debt due and payable against (i) any Collections (other than Mortgage Priority Collections (unless such Collections have been directed by an order of the Bankruptcy Court to be paid to the Borrower directly), Collections with respect to the CCC Receivables and, to the extent that the Commerce Facilities are outstanding, the Specified Receivables), or (ii) the principal amount of any Revolving Advance 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 Agent to exercise such right of set-off; *provided, however*, a member of the Lender Group shall notify the Borrower: (1) that a set-off pursuant to this Section 3.02 occurred, (2) the amount of such set-off, and (3) a description of the Lender Debt that was due and payable.

§ 3.03. Attorney-in-Fact. Each Loan Party hereby irrevocably designates and appoints the Agent, the Program Manager and each other Person in the Lender Group, subject to the Orders and to the extent permitted by applicable law and regulation, as such Loan Party'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 Governmental Entities), drafts, or other instruments or documents in respect of the Receivables, (ii) notify Insurers and, subject to applicable law, Governmental Entities, to make payments on the Accounts directly to the Lender, and (iii) bring suit in the Borrower's or any Guarantor's name and settle or compromise such Accounts as the

Agent may, in its discretion, deem appropriate.

ARTICLE IV SUPERPRIORITY ADMINISTRATIVE CLAIM AND SECURITY INTERESTS

§ 4.01. Superpriority Administrative Expense Claim. The Agent shall have, with respect to the Lender Debt, a superpriority administrative expense claim pursuant to Section 364(c)(1) of the Bankruptcy Code ("**Superpriority Administrative Expense Claim**"); *provided* that the Superpriority Administrative Expense Claim shall not be recoverable from the Avoidance Actions.

§ 4.02. Grant of Lien. (a) As collateral security for its obligations to pay the Lender Debt when due and payable and its indemnification obligations hereunder, the Borrower and each Guarantor hereby grants to the Agent a Lien (subject, however, to the Orders, the prior rights and remedies with respect to the Carveout and, except as set forth in Section 4.02(b) below, the Permitted Liens) on and security interest in, pursuant to Section 364(c)(2) and (c)(3) of the Bankruptcy Code, and right of setoff against (but, subject to the Permitted Liens) all of the rights, title and interest in and to any and all assets of the Borrower, whether real, personal, tangible or intangible, including the following (together with the Mortgage Collateral described in Section 4.02(d) below, collectively, the "**Collateral**"):

- (1) All Receivables;
- (2) All general intangibles and payment intangibles, and any other rights to payment of every kind and description, and any contract rights, chattel paper, documents and instruments with respect thereto, together with all fees and other payment due the Borrower in connection with their respective healthcare facilities and all of Borrower's rights, remedies, security and liens, in, to and in respect of the Accounts, including, without limitation, rights of stoppage in transit, replevin, repossession and reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, guaranties or other contracts of suretyship with respect to the Accounts, deposits or other security for the obligation of any Obligor, and credit and other insurance;
- (3) any and all amounts held in deposit account #9428375381 at Fleet Bank, N.A. and any other accounts maintained at any bank in respect of any of the foregoing or in compliance with any terms of this Agreement, other than the Issuance Designated Accounts and the CCC Control Account;
- (4) to the maximum extent permitted by law, each Borrower Lockbox and each Borrower Lockbox Account;
- (5) any and all amounts held in any accounts maintained at any Lockbox Bank in respect of any of the foregoing or in compliance with any terms of this Agreement;

(6) All moneys, securities and other property and the proceeds thereof, now or hereafter held or received by, in transit to, in possession of, or under the control of Agent or a bailee or Affiliate of the Agent or any Lender, from or for the Borrower, whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all of Borrower's deposits (general or special), balances, sums and credits with Agent or any Lender at any time existing;

(7) All goods the sale of which has resulted in Accounts, including, without limitation, all goods described in invoices or other documents or instruments with respect to, or otherwise representing or evidencing, any Account, and all returned and reclaimed or repossessed goods;

(8) All other general intangibles (including, without limitation, any proceeds from insurance policies after payment of prior interests), as that term is defined under the UCC, including, without limitation, all interests in joint ventures, patents, unpatented inventions, trade secrets, copyrights, contract rights, goodwill, literary rights, rights to performance, rights under licenses, choses-in-action, claims, information contained in computer media (such as data bases, source and object codes, and information therein), things in action, trademarks and trademarks applied for (together with the goodwill associated therewith) and derivatives thereof, trade names (including the right to make, use, and vend goods utilizing any of the foregoing), all permits, licenses, certifications, authorizations and approvals, and the rights of the Borrower thereunder, issued by any Governmental Entity, and all books, records, ledgers, contracts, licenses, formulae, tax and other types of refunds, deposits, returned and unearned insurance premiums, rights and claims under insurance policies, and computer programs, information, software, records and data;

(9) All inventory of every kind and character which is held by the Borrower for sale or lease, or is furnished by the Borrower under any contract of service, or is held by the Borrower as raw materials, work in process, or materials used or consumed in business, wherever located and as the same may now or hereafter be constituted;

(10) All medical and other machinery, equipment, computer equipment, tools, tooling, furniture, fixtures, goods, supplies, materials, work in process, together with additions, parts, fittings, accessories, and attachments thereto;

(11) All deposit accounts, including the Borrower's Account, and all bank accounts into which proceeds of Accounts are deposited, including the Borrower's Lockbox Account;

(12) All goodwill and all investment property (as that term is defined in the UCC), including, without limitation, all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts and commodity accounts;

(13) All membership rights, privileges and interests in any Person, including, without limitation, (A) the right to receive distributions at any time in cash or other property, and (B) the right to any specific property of such Person; and

(14) All cash and non-cash proceeds (including, without limitation, insurance proceeds) of all of the foregoing, as well as any cash proceeds of non-cash proceeds of the foregoing.

(b) As collateral security for its obligations to pay the Lender Debt when due and payable and its indemnification obligations hereunder, the Borrower and each Guarantor hereby grants to the Agent a Lien (subject only to the prior rights and remedies with respect to the Priority Real Estate Liens and the Carveout) on and security interest in, pursuant to Section 364(d) of the Bankruptcy Code, and right of setoff against (but, subject to the Permitted Liens) all of the rights, title and interest in and to any Collateral that constitutes "Collateral" under the Pre-Petition Facility (the "**Pre-Petition Collateral**"), which Lien shall be (x) senior and priming to those Permitted Liens that, as of the Filing Date, were junior in priority to the Liens of the Agent in the Pre-Petition Collateral, and (y) junior to those Permitted Liens that, as of the Filing Date, were senior in priority to the Liens of the Agent in the Pre-Petition Collateral.

(c) The Borrower acknowledges that, pursuant to the Emergency Financing Order, the Interim Financing Order and the Final Financing Order, the Liens in favor of the Agent 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 Agent be required to take any other action in order to validate or perfect its Liens in the Collateral.

(d) As further collateral security for the Borrower's obligations to pay the Lender Debt when due and payable and its indemnification obligations hereunder, the Borrower and each Guarantor each hereby grants to the Agent a Lien (subject only to the Priority Real Estate Liens and the Carveout) on and security interest in all real property, the fee simple title to which is held by Borrower or under a lease to which the Borrower is lessor thereunder (collectively, the "**Mortgage Collateral**"), and the Borrower hereby assigns and conveys as security, grants a security interest in, and (as applicable under relevant state law) conveys security title to, hypothecates, mortgages, pledges and sets over unto Agent (with the priorities described in the Orders) all of the right, title and interest of Borrower in, to and under all of such Mortgage Collateral, together in each case with all of the right, title and interest of Borrower in and to all buildings, improvements, and fixtures related thereto, all general intangibles relating thereto and all proceeds thereof. The Borrower acknowledges that, pursuant to the Emergency Financing Order, the Interim Financing Order and the Final Financing Order, the Liens in favor of Agent in all of the Mortgage Collateral shall be perfected without the recordation of any mortgages, deeds of trust, deeds to secure debt or assignments. The Borrower further agrees that, upon the request of Agent, the Borrower shall enter into separate fee and leasehold mortgages, deeds of trust, deeds to secure debt, collateral assignments or similar instruments in recordable form with respect to such

properties on terms reasonably satisfactory to Agent.

(e) Notwithstanding anything to the contrary contained herein, the “Collateral” shall expressly exclude any and all causes of action and proceeds of Borrower or any of their estates under Sections 544, 545, 547, 548, 549, 550 and 724(a) of the Bankruptcy Code (the “**Avoidance Actions**”).

(f) The Borrower and each Guarantor each agrees to execute, and hereby authorizes the Agent to file, one or more financing statements or continuation statements or amendments thereto or assignments thereof in respect of the Lien created pursuant to this Section 4.02 which may at any time be required or, in the opinion of the Agent or the Program Manager, be desirable, and the Borrower and each Guarantor each further authorizes the Agent to do so without the signature of the Borrower or any Guarantor where permitted by law.

ARTICLE V MISCELLANEOUS

§ 5.01. Amendments, etc. (a) No amendment or waiver of any provision of this Agreement or consent to any departure therefrom by a party hereto shall be effective unless in a writing signed by the Agent, the Required Lenders and the Borrower or the Borrower and the Agent with the consent of the Required Lenders, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided* that no such agreement shall (i) increase the Revolving Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of the Revolving Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the Maturity Date, (iv) change Article II, (v) increase any percentage contained in the definition of Borrowing Base, release all or a material portion of the Collateral without the written consent of each Lender, (vi) release any Guarantee (other than in accordance with its terms) without the consent of each Lender, or (vii) change any of the provisions of this Section or the definition of “Required Lenders” or any other provisions hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Agent hereunder without the prior written consent of the Agent.

(b) No failure on the part of the Agent, any Lender or the Borrower to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

(c) The parties hereto agree to make any change, modification or amendment to this Agreement as may be requested by Fitch Ratings, Moody's Investors Service, Inc. or any other rating agency then rating the receivables financing

program of any Lender, so long as any such change, modification or amendment does not materially adversely affect the parties hereto.

§ 5.02. Notices. All notices and other communications hereunder shall, unless otherwise stated herein, be in writing (which may include facsimile communication) and shall be faxed or delivered, (i) to the Agent (and the Agent hereby agrees that notices to or for its benefit may be delivered to the Program Manager and such delivery to the Program Manager shall be deemed received by the Agent), at its address set forth under its name on Schedule I hereto or at such other address as shall be designated by such party in a Written Notice to the other parties hereto, (ii) to the Borrower and the Guarantors (and the Guarantors hereby agree that notices to or for their benefit may be delivered to the Borrower and such delivery to the Borrower shall be deemed received by the Guarantors), at its address set forth under its name on Schedule I hereto or at such other address as shall be designated by such party in a Written Notice to the other parties hereto, (iii) to the Program Manager at the addresses set forth on Schedule I hereto, or at such other address as shall be designated by the Program Manager in a Written Notice to the parties hereto and (iv) to the Lenders, at such Lender's address set forth under its name on the signature pages hereof or set forth in the Assignment and Assumption pursuant to which such Lender became a Lender hereunder or at such other address as shall be designated by such party in a Written Notice to the other parties hereto. Written Notices and communications by facsimile shall be effective when sent (and shall be immediately followed by hard copy sent by regular mail), and notices and communications sent by other means shall be effective when received.

§ 5.03. Assignability; Participations. (a) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns. So long as the Revolving Commitment remains outstanding, each Lender agrees that it will make assignments of its rights and obligations hereunder only to a Person (or Persons) that it reasonably believes is (i) familiar with and generally engaged in other asset based financings of this type, and (ii) is capable of fulfilling the obligations of a "Lender" hereunder.

(b) No Loan Party may assign its rights or obligations hereunder or any interest herein without the prior written consent of the Agent and each Lender. No Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section.

(c) Assignments shall be subject to the following additional conditions for the benefit of the Agent:

(i) the assignee is a competent Person with the financial ability to perform as a Lender under this Agreement;

(ii) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment or Revolving Advances, the amount

of the Revolving Commitment or Revolving Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Program Manager) shall not be less than \$1,000,000 of such Lender's Revolving Commitment unless the Agent otherwise consents; and

(iii) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; *provided* that such fee shall not apply to an assignment by a Lender to an Affiliate of such Lender.

(d) Subject to acceptance by the Agent pursuant to paragraph (f) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and shall be bound by the terms of each of the other Program Documents, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement and the other Program Documents (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 1.08, 1.09 and 5.05). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 5.03 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (g) of this Section.

(e) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee and the processing and recordation fee referred to in paragraph (d)(ii) and any written consent to such assignment required by paragraph (c) of this Section, the Agent shall accept such Assignment and Assumption.

(f) Any Lender may, without the consent of the Borrower or the Agent, sell participations to one or more banks or other entities (a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all of a portion of its Revolving Commitment and the Revolving Advances owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first

proviso to Section 5.01(a) that affects such Participant. The Borrower agrees, to the fullest extent permitted under applicable law, that each Participant shall be entitled to the benefits of Section 1.08 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) of this Section. A Participant shall not be entitled to receive any greater payment under Section 1.08 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

§ 5.04. Further Assurances. The Loan Parties shall, at the Borrower's cost and expense, upon the request of the Agent, duly execute and deliver, or cause to be duly executed and delivered, to the Agent such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Agent to carry out more effectively the provisions and purposes of this Agreement.

§ 5.05. Costs and Expenses; Collection Costs. (a) The Borrower agrees to pay on demand (i) all reasonable non-legal costs and expenses of any member of the Lender Group in connection with the due diligence review, preparation, execution and delivery of this Agreement and the Program Documents; (ii) the reasonable fees and expenses of counsels for any member of the Lender Group in connection with this transaction; and (iii) all reasonable costs and out-of-pocket expenses, if any (including reasonable counsel fees and expenses), of any member of the Lender Group in connection with any waiver, modification, supplement or amendment hereto, or the enforcement of this Agreement. The Borrower further agrees to pay on the Initial Funding Date and thereafter on demand therefor (a) all reasonable costs and expenses incurred by the Agent or its agent in connection with periodic audits, inspections, field examinations and verifications of the Receivables and the Borrower's and the Guarantors' operations and the preparation of reports thereof, (b) all reasonable costs and expenses incurred by the Program Manager to accommodate any significant coding or data system changes made by the Borrower or any Guarantor that would affect the transmission or interpretation of data received through the interface, and (c) all reasonable costs and expenses incurred by the Agent for additional time and material expenses of the Program Manager resulting from a lack of either cooperation or responsiveness of the Borrower or the Guarantors to agreed-upon protocol and schedules with the Program Manager; *provided*, that the Borrower has been informed of the alleged lack of cooperation or responsiveness and has been provided the opportunity to correct such problems.

(b) In the event that the Agent shall retain an attorney or attorneys to

collect, enforce, protect, maintain, preserve or foreclose its interests, for the benefit of the Lenders, with respect to this Agreement, any other Program Documents, any Lender Debt, any Receivable or the Lien on any Collateral or any other security for the Lender Debt or under any instrument or document delivered pursuant to this Agreement, or in connection with any Lender Debt, the Borrower shall pay all of the reasonable costs and expenses of such collection, enforcement, protection, maintenance, preservation or foreclosure, including attorneys' fees, which amounts shall be part of the Lender Debt, and the Agent may take judgment for all such amounts. The attorney's fees arising from such services, including those of any appellate proceedings, and all expenses, costs, charges and other fees incurred by such counsel in any way or with respect to or arising out of or in connection with or relating to any of the events or actions described in this Section 5.05 shall be payable by the Borrower to the Agent in the manner set forth in the Order (with interest accruing from the earlier of two Business Days following (i) the date of such demand and (ii) the date the Borrower became aware of the incurrence of such cost), and shall be additional Lender Debt under this Agreement. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include the following: recording costs, appraisal costs, paralegal fees, costs and expenses; accountants' fees, costs and expenses; court costs and expenses; photocopying and duplicating expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; telegram charges; telecopier charges; secretarial overtime charges; and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal services.

§ 5.06. Patient Confidentiality. The Agent hereby agrees to, and shall take reasonable steps to cause each member of the Lender Group to, comply with all applicable laws regarding confidential patient information, if any, it receives in connection with the transactions described in this Agreement, all in the manner set forth in Exhibit XIII.

§ 5.07. Term and Termination. (a) This Agreement shall have an initial term commencing on the Initial Funding Date and expiring on July 5, 2006 (the "**Initial Term**"); *provided, that* the Initial Term will automatically be extended (i) up to 18 months (i.e., a 6 month extension), unless, not later than 60 days prior to the last day of the Initial Term, the Borrower delivers to the Agent a written notice (a "**Voluntary Termination Notice**") stating that the Borrower does not wish to extend the Term beyond July 5, 2006, and (2) up to 24 months (i.e., an additional 6 month extension), to the extent that the Borrower has filed a plan of reorganization that (x) requires and contemplates the payment in full in cash of all Lender Debt on the effective date thereof and otherwise is satisfactory to the Agent and the Required Lenders, unless, not later than 60 days prior to the last day of the Initial Term, the Borrower delivers to the Agent a Voluntary Termination Notice stating that the Borrower does not wish to extend the term for an additional six months. The obligations of the Lenders under this Agreement shall continue in full force and effect from the Initial Funding Date until the Maturity Date. Upon the payment in full of all Lender Debt, the Agent and the Lenders shall take all actions and deliver all assignments, certificates, releases, notices and other documents, at the Borrower's expense, as the Borrower may reasonably request to effect such termination.

(b) The Borrower may terminate this Agreement at any time prior to the Maturity Date upon (i) not less than ten days' prior Written Notice (which shall be irrevocable) to the Agent and (ii) payment in full of all Lender Debt, including all applicable fees, charges, premiums and costs, all as provided hereunder, and upon the occurrence of clauses (i) and (ii) the Revolving Commitment hereunder shall be deemed to be terminated and all Liens granted the Lender hereunder shall be terminated.

(c) The termination of this Agreement shall not affect any rights of the Agent or any Lender or any obligations of any Loan Party arising on or prior to the effective date of such termination, and the provisions hereof shall continue to be fully operative until all Lender Debt incurred on or prior to such termination has been paid and performed in full.

(d) Subject to the Orders, upon the giving of notice of an Event of Default under this Agreement all Lender Debt shall be due and payable. Upon (i) the termination of the Revolving Commitment and all commitments and obligations of the Agent and the Lenders, and (ii) the payment in full of all Lender Debt, the Agent shall terminate and release its Liens in the Collateral and, at the request and sole cost and expense of the Borrower, execute and deliver to the Borrower such releases and documents as the Borrower shall reasonably request to evidence such termination and release.

(e) The Liens and rights granted to the Agent, for the benefit of the Lenders hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement, until all Lender Debt has been paid in full in cash.

(f) All indemnities, representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof unless otherwise provided.

(g) Notwithstanding the foregoing, if after receipt of any payment of all or any part of the Lender Debt, the Agent or any Lender or any other Person who has received payment of Lender Debt is for any reason compelled to surrender such payment to any Person or entity because such payment is determined to be void or voidable as a preference, an impermissible setoff, a diversion of trust funds or for any other reason, this Agreement shall continue in full force (except that the Revolving Commitment of such Lender shall have been terminated), and the Borrower shall be liable to, and shall indemnify and hold such Person harmless for the amount of such payment surrendered until such Person shall have been finally and irrevocably paid in full (and all Liens and rights granted to the Lender hereunder shall continue but solely to that extent). The provisions of the foregoing sentence shall be and remain effective notwithstanding any contrary action which may have been taken by the Agent or a Lender in reliance upon such payment, and any such contrary action so taken shall be without prejudice to such Person's rights under this Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

§ 5.08. No Liability of Agent or Lenders. (a) Neither this Agreement nor

any document executed in connection herewith shall constitute an assumption by the Agent or any Lender of any obligation to any Obligor or any patient or customer of the Borrower or the Guarantors.

(b) Notwithstanding any other provision herein, no recourse under any obligation, covenant, agreement or instrument of the Agent or any Lender contained herein or with respect hereto shall be had against any Related Person whether arising by breach of contract, or otherwise at law or in equity (including any claim in tort), whether express or implied, it being understood that the agreements and other obligations of the Agent and each Lender herein and with respect hereto are solely its corporate obligations; *provided, however,* nothing herein above shall operate as a release of any liability which may arise as a result of such Related Person's gross negligence or willful misconduct. The provisions of this Section 5.08 shall survive the termination of this Agreement.

§ 5.09. Entire Agreement; Severability. (a) This Agreement, including all exhibits and schedules hereto, the Documents, the Intercreditor Agreements (as applicable) and the other documents referred to herein, embody the entire agreement and understanding of the parties concerning the subject matter contained herein. This Agreement supersedes any and all prior agreements and understandings between the parties, whether written or oral.

(b) If any provision of this Agreement shall be declared invalid or unenforceable, the parties hereto agree that the remaining provisions of this Agreement shall continue in full force and effect.

§ 5.10. **GOVERNING LAW.** EXCEPT TO THE EXTENT GOVERNED BY THE BANKRUPTCY CODE, THIS AGREEMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAWS PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

§ 5.11. **WAIVER OF JURY TRIAL, JURISDICTION AND VENUE.** EACH OF THE PARTIES HERETO HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN THE EVENT OF ANY LITIGATION WITH RESPECT TO ANY MATTER RELATED TO THIS AGREEMENT, AND HEREBY IRREVOCABLY CONSENTS TO THE JURISDICTION OF THE BANKRUPTCY COURT SO LONG AS THE CHAPTER 11 CASES HAVE NOT BEEN DISMISSED, CLOSED OR REOPENED, AND THEREAFTER, OF THE STATE AND FEDERAL COURTS LOCATED IN EITHER NEW YORK OR KINGS COUNTY, NEW YORK CITY, NEW YORK IN CONNECTION WITH ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT. IN ANY SUCH LITIGATION, EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO THE PARTIES HERETO AT

THEIR ADDRESSES SET FORTH ON SCHEDULE I HERETO.

§ 5.12. Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

§ 5.13. No Proceedings. The Borrower and each Guarantor hereby agrees that it will not institute against the Agent or any Lender any proceeding relating to a Bankruptcy Event of HFG Healthco-4 LLC so long as any senior indebtedness issued by the Agent or such Lender shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such senior indebtedness shall have been outstanding.

§ 5.14. Confidentiality and Notices. The Borrower hereby grants the Program Manager the right to place one or more advertisements in newspapers and journals, on its website and in other HFG materials (all, at its own expense) that recites the transaction, the amount of the transaction and utilizes the corporate logo of the Borrower.

§ 5.15. Accounting Information. The Borrower and the Guarantors authorize the Agent, the Lenders and the Program Manager to discuss the financial condition of the Borrower and the Guarantors with their independent public accountants and agrees that such discussion or communication shall be without liability to the Agent, the Lenders, the Program Manager or the independent public accountants.

ARTICLE VI LIMITED GUARANTY

Subject to the last paragraph of this Article VI, 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 Revolving Loan, when and as due, whether at maturity, by acceleration, by notice of prepayment or otherwise, and the due and punctual payment of all other Lender Debt. Each Guarantor further agrees that the Lender Debt 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 Lender Debt.

Each Guarantor waives presentment to, demand of payment from and protest to the Borrower of any of the Lender Debt, 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 (a) the failure of the Agent or any other member of the Lender Group 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 any of the other Program Documents or otherwise; (b) any rescission, waiver, amendment or modification of any of the terms or provisions of this Agreement any of the other Program Documents, any guaranty or any other agreement; (c) the release of any security held by the Agent for the Lender Debt; (d) the failure of the Agent or any

other member of the Lender Group to exercise any right or remedy against any other guarantor of the Lender Debt; or (e) the failure of the Agent or any other member of the Lender Group to take, register, perfect or preserve any security for any of the Lender Debt.

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 Agent or any Lender to any security (including, without limitation, any Collateral) held for payment of the Lender Debt or to any balance of any deposit account or credit on the books of the Agent or any Lender in favor of the Borrower or any other person.

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, illegality or unenforceability of the Lender Debt 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 Agent or any other member of the Lender Group to assert any claim or demand or to enforce any remedy under this Agreement, or under any other 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.

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 Lender Debt from time to time and shall continue to be effective or, subject to the Order, be reinstated, as the case may be, if at any time payment, or any part thereof, of principal or interest on any Lender Debt is rescinded or must otherwise be returned by the Agent, any Lender or any other member of the Lender Group for whatever reason.

Each Guarantor hereby waives and releases in favor of the Agent and the Lenders 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 Lender Debt has been fully and finally performed and paid.

Notwithstanding anything in this Agreement, including this Article VI, or any other Document to the contrary, each Guarantor's obligations under this guaranty are limited-recourse obligations of such Guarantor payable solely from the Collateral pledged by such Guarantor. Accordingly, the Guarantors shall not be liable or incur any

liability for the payment or performance of any obligation contained herein or in the other Program Documents, except to the extent of their right, title and interest in Collateral.

Notwithstanding anything in this Agreement, including this Article VI, or any other Document to the contrary, the obligations of each of 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, if any, between the Lender Debt (as of the Maturity Date) and the Rollover Amount.

ARTICLE VII THE AGENT

Each of the Lenders hereby irrevocably appoints HFG Healthco-4 LLC as its Agent and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof and the other Program Documents, together with such actions and powers as are reasonably incidental thereto.

Each Lender authorizes and directs the Agent to enter into this Agreement and the other Program Documents, for the ratable benefit and obligation of the Agent and the Lenders. Each Lender agrees that any action taken by the Agent or Required Lenders, as applicable, in accordance with the terms of this Agreement or the other Program Documents, and the exercise by the Agent or the Required Lenders, as applicable, of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

Each Person serving as the Agent hereunder and under the other Program Documents shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and each such Person and their respective Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Agent hereunder.

The Agent shall not have any duties or obligations except those expressly set forth herein or in the other Program Documents. Without limiting the generality of the foregoing, (a) the Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or thereby that the Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 5.01), and (c) except as expressly set forth herein, the Agent shall not have any duty to disclose, and shall not be liable for any failure to disclose, any information relating to the Borrower, the Primary Servicer or any of the Gurantors that is communicated to or obtained by such Person serving as the Agent or any of its Affiliates in any capacity. The Agent shall not be liable for any action taken or not taken by it with

the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 5.01) or in the absence of its own gross negligence or wilful misconduct. The Agent shall not be deemed to have knowledge of any Default unless and until written notice thereof is given to the Agent by the Borrower or a Lender, and the Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Exhibit II or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the statements of any such counsel, accountants or experts.

The Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Agent.

With respect to the release of Collateral, the Lenders hereby irrevocably authorize the Agent to release any Lien granted to or held by the Agent upon any property covered by this Agreement or the other Documents (i) upon termination or expiration of the Total Revolving Commitments, the payment and satisfaction of all Lender Debt; or (ii) constituting property being sold or disposed of in compliance with the provisions of the Program Documents (and the Agent may rely in good faith conclusively on any certificate stating that the property is being sold or disposed of in compliance with the provisions of the Program Documents, without further inquiry); *provided, however*, that (x) the Agent shall not be required to execute any release on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (y) such release shall not in any manner discharge, affect or impair any Liens upon all interests retained, all of which shall continue to constitute part

of the property covered by the Program Documents.

With respect to perfecting security interests in Collateral which, in accordance with the Orders, any order of the Bankruptcy Court in the Chapter 11 Cases, Article 9 of the Uniform Commercial Code or any comparable provision of any Lien perfection statute in any applicable jurisdiction, can be perfected only by possession, each Lender hereby appoints each other Lender its agent for the purpose of perfecting such interest. Should any Lender (other than the Agent) obtain possession of any such Collateral, such Lender shall notify the Agent, and, promptly upon the Agent's request, shall deliver such Collateral to the Agent or in accordance with the Agent's instructions. Each Lender agrees that it will not have any right individually to enforce or seek to enforce this Agreement or any other Document or to realize upon any Collateral for the Lender Debt, it being understood and agreed that such rights and remedies may be exercised only by or with the approval of the Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, the Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent. Upon the acceptance of its appointment as the Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed in writing between the Borrower and such successor. After the Agent's resignation hereunder, the provisions of this Article and Sections 1.09 and 5.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as the Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agent or any Related Party thereof or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any Related Party thereof or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder. Each Lender acknowledges the potential conflict of interest of each other Lender as a result of Lenders holding disproportionate interests in the Revolving Loans, and expressly consents to and waives any claim based upon such conflict of interest.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

HFG HEALTHCO-4 LLC,
as Agent and as a Lender

By: HFG HEALTHCO-4, INC., a member

By:
Name:
Title:

SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK,
as the Borrower and as a debtor
and debtor-in-possession

By:
Name:
Title:

CMC PHYSICIAN SERVICES, P.C.,
as a Guarantor and as a debtor
and debtor-in-possession

By:
Name:
Title:

CMC RADIOLOGICAL SERVICES P.C.,
as a Guarantor and as a debtor
and debtor-in-possession

By:
Name:
Title:

CMC CARDIOLOGY SERVICES P.C.,
as a Guarantor and as a debtor

and debtor-in-possession

By:

Name:

Title:

CMC OCCUPATIONAL HEALTH SERVICES P.C.

as a Guarantor and as a debtor
and debtor-in-possession

By:

Name:

Title:

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

as a Guarantor and as a debtor
and debtor-in-possession

By:

Name:

Title:

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

as a Guarantor and as a debtor
and debtor-in-possession

By:

Name:

Title:

EXHIBIT I

DEFINITIONS

As used in the Agreement (including its Exhibits and Schedules), 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):

"Accounts Receivable Turnover" means, at any date for the 12-month period then most recently ended, the quotient obtained by dividing (i) net patient revenue exclusive of capitation contracts, charity care, GME pool and similar revenues not resulting in Receivables of the Borrower, its Subsidiaries and the Approved Guarantors for the 12- month period then ended, by (ii) net accounts receivable as

presented on the consolidated balance sheet of the Borrower, its Subsidiaries and the Approved Guarantors as of such date.

“Accrued Amounts” means, as at any date, the aggregate amount of accrued but unpaid (whether or not due and payable) (a) interest, (b) Non-Utilization Fees, (c) Agent’s Fees, and (d) Collateral Manager’s Fees.

“Additional Sun Life Mortgages” means (a) that certain Mortgage and Security Agreement, dated October 18, 2004 between the Borrower and Sun Life in the original principal amount of \$28,000,000, encumbering 555 Sixth Avenue, new York, NY (**“Sixth Avenue Property”**), together with that certain Second Mortgage and Security Agreement between the Borrower and Sun Life, encumbering the Sixth Avenue Property (cross-collateralizing mortgages (b) and (c) herein); (b) that certain Mortgage and Security Agreement, dated October 18, 2004 between the Borrower and Sun Life in the original principal amount of \$16,000,000, encumbering 122-132 West 12th Street, New York, NY (**“West 12th Property”**) together with that certain Second Mortgage and Security Agreement between the Borrower and Sun Life, encumbering the West 12th Property (cross-collateralizing mortgages (a) and (c) herein) and (c) that certain Mortgage and Security Agreement, dated October 18, 2004 between the Borrower and Sun Life in the original principal amount of \$5,000,000, encumbering 20-36 Seventh Avenue, New York, NY (**“Seventh Avenue Property”**) together with that certain Second Mortgage and Security Agreement between the Borrower and Sun Life, encumbering the Seventh Avenue Property (cross-collateralizing mortgages (a) and (b) herein).

“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.

“Agent” means HFG Healthco-4 LLC as agent for the Lenders, and its successors and assigns in such capacity.

“Agent’s Fee” has the meaning set forth in Section 1.05(g).

“Agreement” has the meaning set forth in the preamble hereto.

“Allocation Report” means a report to the Program Manager and the Agent executed by an authorized officer of the Borrower identifying with specificity the source of the Collections then held in the Collection Account, and specifying Collections payable by Medicare and Medicaid and with respect to the CCC Receivables, and collections with respect to Specified Receivables.

“Applicable Margin” means, 3.50% *provided, that*, on any date that any Overadvance is outstanding, the Applicable Margin shall equal 5.50%.

“Approved Guarantor” means a Guarantor that the Agent has agreed, in

its sole discretion, shall have its Eligible Receivables included in the Borrowing Base.

“Asset Sale” means the sale, transfer or other transaction or series of related transactions resulting in the transfer, disposition or sale of any Collateral outside of the ordinary course of business of a Borrower.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 5.03), and accepted by the Agent, in a form approved by the Agent.

“Authority” means The Dormitory Authority of the State of New York, together with its successors and assigns.

“Authority Intercreditor Agreement” means the Intercreditor Agreement, dated May 21, 2004, among the Agent, the Authority and HUD, and accepted and agreed to by the Borrower, in substantially the form attached hereto as Exhibit XIV-A, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms.

“Authorized Officer” means the Chief Executive Officer, Chief Financial Officer, Treasurer or Vice President - Finance of the Borrower, or another Person designated from time to time by the Borrower in a Written Notice and approved by the Agent.

“Avoidance Actions” has the meaning set forth in Section 4.02(e).

“Bankruptcy Code” means the United States Bankruptcy Code (11 U.S.C. § 101 et seq.), as amended, and any successor statute.

“Bankruptcy Court” has the meaning specified in the recitals to this Agreement, or such other federal court having jurisdiction over the Chapter 11 Cases.

“Bankruptcy Event” means, with respect to any Person, that such Person shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against such Person under the Bankruptcy Code or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its Property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its Property) shall occur; or any Borrower shall take any action to

authorize any of the actions set forth above.

“**Borrower**” has the meaning set forth in the preamble hereto.

“**Borrower Account**” means initially account #9428375381 of the Borrower at Fleet Bank, N.A., ABA #021200339, or such other bank account designated by the Borrower by Written Notice to the Agent and the Program Manager from time to time.

“**Borrower Lockboxes**” means the lockboxes set forth on Schedule III hereto to receive checks and EOB’s with respect to Receivables payable by Governmental Entities.

“**Borrower Lockbox Accounts**” means the accounts set forth on Schedule III hereto in the name of the applicable Loan Party and associated with a Borrower Lockbox established and controlled by the applicable Loan Party to deposit collections, including collections received in the applicable Borrower Lockbox and collections received by wire transfer directly from Governmental Entities, all as more fully set forth in the applicable Depositary Agreement.

“**Borrower’s Certificate**” has the meaning set forth in Section 1.03.

“**Borrowing Base**” means, (1) 80% of the Expected Net Value of Eligible Receivables of the Borrower and the Approved Guarantors as of such time, *minus* (2) the Carveout, *minus* (3) such other reserves as established by the Lender in its reasonable discretion in consultation with the Borrower and based on actual collection activity of or claims that may be asserted against the Receivables, at all times as determined by reference to and as set forth in the most recent Borrowing Base Certificate required to be delivered to the Agent by the Borrower as of such time pursuant to Exhibit IV, clause (n)(i), and *minus* (4) the Liquidity Reserve Amount.

“**Borrowing Base Certificate**” means a certificate (which may be sent by Transmission), signed by the Borrower, substantially in the form set forth in Exhibit VII-A hereto, which shall provide the most recently available information (including updated information) with respect to the Eligible Receivables of the Borrower and the Approved Guarantors (segregated by the classes (if any) set forth on Schedule IV hereto) that is set forth in the aged accounts receivable trial balance and books and records of the Borrower and the Approved Guarantors, in form and substance satisfactory to the Agent and the Program Manager.

“**Borrowing Base Deficiency**” means, as of any date, the positive difference, if any, between (i)(x) the Outstanding Balance of the Revolving Loan *plus* (y) Accrued Amounts, *minus* (ii) the Borrowing Base indicated on the most recent Borrowing Base Certificate or as otherwise determined by the Agent, *plus* (iii) the outstanding principal amount of any Overadvance that was and continues to be consented to by the Agent, but not exceeding in any event the Overadvance Limit.

“**Borrowing Limit**” has the meaning set forth in Section 1.02.

“**Budgets**” means, collectively, the Emergency Budget, the Interim Budget and the Final Budget.

“**Business Day**” means any day on which banks are not authorized or required to close in New York City, New York.

“**Capital Expenditures**” means, with respect to any Person for any period, the aggregate of all expenditures (including, without limitation, obligations created under Capital Leases in the year in which created but excluding payments made thereon) of such Person in respect of the purchase or other acquisition of fixed or capital assets.

“**Capital Lease**” means, as applied to any Person, any lease of any Property (whether real, personal or mixed) by that Person as lessee, the obligations of which are required, in accordance with GAAP, to be capitalized on the balance sheet of that Person.

“**Carveout**” means amounts payable after the Lenders have ceased making Revolving Advances pursuant to the terms hereof and the Documents (i) pursuant to 28 U.S.C. § 1930(a)(6); (ii) unpaid Court allowed fees and expenses of a trustee appointed under section 726(b) of the Bankruptcy Code in an amount not to exceed \$200,000, and (iii) on account of unpaid Bankruptcy Court-allowed professional fees and expenses (whether incurred prior to or subsequent to an Event of Default) of attorneys, accountants, financial advisors and consultants retained by the Borrowers and the Committee pursuant to sections 327, 328 and 1103 of the Bankruptcy Code (except as otherwise set forth in the subsequent sentence) (collectively, “**Professional Expenses**”); *provided*, that the aggregate amount of Professional Expenses entitled to priority over the Superpriority Administrative Expense Claim and the security interests granted pursuant hereto and the Documents (“**Priority Professional Expenses**”), shall not exceed \$2,000,000 in the aggregate (the “**Priority Professional Expense Cap**”); *provided, further*, that any retainers or any payments to such professionals under sections 330 and 331 of the Bankruptcy Code in respect of fees and expenses incurred which were actually paid to such professionals prior to the occurrence and continuance of an Event of Default, shall not reduce the Priority Professional Expense Cap; and *provided, further*, that the limited priority granted hereunder or under the Agreement for Priority Professional Expenses shall not waive any right of the Lenders, the Agent, the Program Manager, or any other party in interest to object to fees and expenses constituting such Priority Professional Expenses. No advances made under the Documents or this Interim Financing Order nor any portion of the Carveout may be used to prosecute actions, claims, demands or causes of action against the Lenders, the Agent or the Program Manager or to object to or contest in any manner, or to raise any defense in any pleading to the validity, perfection, priority or enforceability of the Prepetition Debt, Lenders’ and Agent’s lien and security interest in the Prepetition Collateral, the Liens and priorities granted hereunder and under the Documents and the Lender Debt; *provided, however*, such advances and the Carveout may be used to inquire into and investigate these matters.

“**Cash**” means cash and short-term obligations guaranteed by the United

States of America, negotiable certificates of deposit of banks which are rated no less than prime-one and A-1 by Moody's Investor Service and Standard and Poor's Corporation or commercial paper which is rated no less than prime-one or A-1 by Moody's Investor Service and Standard and Poor's Corporation, the use of which is not restricted.

"CCC" means Comprehensive Cancer Corporation of New York, a New York corporation.

"CCC Actual Collection Amount" means, for any Month, the collections from CCC Receivables actually deposited into the Collection Account during such Month.

"CCC Adjustment Amounts" means, for any Month, the CCC Distribution Shortfall Amount or the CCC Distribution Surplus Amount, as applicable.

"CCC Control Account" means the Borrower's bank account #9429379587 at Fleet Bank, N.A., or such other bank account of the Borrower designated by the Borrower and CCC from time to time (which account CCC has informed the Agent shall be subject to a control agreement in favor of CCC).

"CCC Daily Estimation Distribution" for each Business Day in any Month, means an amount equal to (i) the CCC Estimation Amount for such Month, *divided by* (ii) the number of Business Days in such Month.

"CCC Distribution Shortfall Amount" for any Month, means the positive difference, if any, between (x) the CCC Actual Collection Amount, and (y) the aggregate amount of collections distributed into the Borrower's CCC Control Account during such Month from deposits of the CCC Daily Estimation Distribution or otherwise distributed directly to CCC.

"CCC Distribution Surplus Amount" means, for any Month, the positive difference, if any, between (x) the aggregate amount of collections distributed into the Borrower's CCC Control Account during such Month from deposits of the CCC Daily Estimation Distribution or otherwise, and (y) the CCC Actual Collection Amount.

"CCC Estimation Amount" means, for any Month, the estimated amount of collections from CCC Receivables expected to be deposited into the Collection Account during such Month.

"CCC Estimation Report" means, for any Month, a report prepared and delivered by the Borrower and approved by CCC, setting forth the CCC Estimation Amount for the next succeeding Month.

"CCC Intercreditor Agreement" means the Intercreditor Agreement, dated the date hereof, among the Agent and CCC, and accepted and agreed to by the Borrower, in substantially the form attached hereto as Exhibit XIV-B, as such agreement

may be amended, modified or supplemented from time to time in accordance with its terms.

“**CCC Lender Shortfall Amount**” has the meaning set forth in Section 2.01(b)(ii).

“**CCC Monthly True-Up Report**” means a report prepared by the Borrower, and approved by CCC and setting forth and demonstrating the calculation of the CCC Actual Collection Amount and the CCC Adjustment Amounts for the immediately prior Month.

“**CCC Receivables**” shall have the meaning set forth in the CCC Intercreditor Agreement.

“**CCC Services Agreement**” means that certain Second Amended and Restated Consulting and Administrative Services Agreement initially dated as of April 11, 1996, as extended, by and between CCC and the Borrower, as in effect on the Initial Funding Date.

“**Change of Control**” means any of the following: (a) the sale, lease or transfer of all or substantially all of the assets of the Borrower (or the principal Manhattan operations) to any Person or group (as such term is defined in Section 13(d)(3) of the Exchange Act); (b) the liquidation or dissolution of (or the adoption of a plan of liquidation by) the Borrower; or (c) the acquisition by any Person or group (as such term is defined in Section 13(d)(3) of the Exchange Act) (other than any Person or group of which the current members of the Borrower are the sole members or that is ultimately owned and controlled by the current members of the Borrower) of any of the membership interest of the Borrower by way of merger or consolidation or otherwise.

“**Chapter 11 Cases**” means 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.

“**Claims**” has the meaning set forth in Section 1.09(b).

“**CMS**” means the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services.

“**Collateral**” has the meaning set forth in Section 4.02(a) hereto.

“**Collateral Manager’s Fee**” means the account receivable tracking fee, due on the first Business Day of each Month, in an amount equal to:

$$\text{AORA} \times \underline{\text{TD}} \times 0.20\%$$

360
where:

AORA = The average Outstanding Balance of the Revolving Loan for the prior Month, calculated as the arithmetic average of all daily balances

TD = The actual amount of days in such prior Month

“Collection Account” means the Agent’s account maintained at The Bank of New York, ABA # 021000018, GLA 111565, For Further Credit to Account #205779, Ref: HEALTHCO-4/SVCMC, Attn: Katherine Quinilty, or such other bank account designated by the Agent from time to time.

“collections” means all cash collections, wire transfers, electronic funds transfers and or the cash proceeds of Receivables.

“Collections” means all cash collections, wire transfers, electronic funds transfers and other cash proceeds of Receivables deposited in or transferred to the Collection Account, including, without limitation, all cash proceeds thereof.

“Commerce” means Commerce Bank, N.A., its successors and assigns.

“Commerce Facilities” means the loan facilities between the Borrower and Commerce, secured by a Lien in the Specified Receivables.

“Commerce Intercreditor Agreement” means the Intercreditor Agreement, dated May 21, 2004, among the Agent and Commerce, and accepted and agreed to by the Borrower, in substantially the form attached hereto as Exhibit XIV-C, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms.

“Confessions of Judgment” means the confessions of judgment executed and delivered by the Borrower prior to the Initial Funding Date in favor of 1199 Health and Human Services Union of the Service Employees International Union as described on and attached to Schedule II hereto.

“Consolidated Capital Expenditures” means, for any period, the Capital Expenditures of the Borrower, its Subsidiaries and the Approved Guarantors, determined on a consolidated basis in accordance with GAAP.

“Consolidated EBIDA” means, for any period, the EBIDA of the Borrower, its Subsidiaries and the Approved Guarantors on a consolidated basis in accordance with GAAP.

“Consolidated Fixed Charge Coverage Ratio” means, as of the end of any Fiscal Quarter of the Borrower, its Subsidiaries and the Approved Guarantors, for the 12- month period most recently ended, the ratio of (a) Consolidated EBIDA for the 12-month period most recently ended plus (b) net cash proceeds available to the Borrower, its Subsidiaries and the Approved Guarantors on an unrestricted basis from

the monetization of real estate assets which closed on October 18, 2004 to (c) the sum of (i) the current portion of long term debt of the Borrower, its Subsidiaries and the Approved Guarantors inclusive of any regularly scheduled debt payments, plus (ii) the current portion of Capital Leases of the Borrower, its Subsidiaries and the Approved Guarantors, plus (iii) non- financed Consolidated Capital Expenditures acquired in the ordinary course of business, plus (iv) Consolidated Interest Expense, plus (v) all taxes paid in cash by the Borrower, its Subsidiaries and the Approved Guarantors on a consolidated basis.

“Consolidated Interest Expense” means, for any period, the interest expense of the Borrower, its Subsidiaries and the Approved Guarantors for such period determined on a consolidated basis in accordance with GAAP.

“Consolidated Net Worth” means, at any date of determination, an amount equal to the total assets of the Borrower, its Subsidiaries and the Approved Guarantors on a consolidated basis in accordance with GAAP less (a) the Restricted Assets on the asset section of the consolidated balance sheet of the Borrower, its Subsidiaries and the Approved Guarantors minus (b) the total liabilities of the Borrower, its Subsidiaries and the Approved Guarantors on a consolidated basis, in accordance with GAAP.

“Consolidated Tangible Net Worth” means with respect to the Borrower, its Subsidiaries and the Approved Guarantors determined on a consolidated basis, at any date of determination, (i) Unrestricted Net Assets as presented on the consolidated balance sheet, plus (ii) Temporarily Restricted Net Assets, plus (iii) Permanently Restricted Net Assets and less (iv) all intangible assets, including, without limitation, goodwill, which would be classified as such in accordance with GAAP.

“Credit and Collection Policy” means those receivables credit and collection policies and practices of the Loan Parties in effect on the date of the Agreement and set forth in Schedule V hereto, which policies and practices shall be consistent with the requirements set forth by the Authority and HUD, as modified from time to time with the consent of the Program Manager.

“Debt” of any Person means (without duplication): (i) all obligations of such party for borrowed money, (ii) all obligations of such party evidenced by bonds, notes, debentures, or other similar instruments, (iii) all obligations of such party to pay the deferred purchase price of property or services (other than trade payables in the ordinary course of business), (iv) all Capital Leases of such party, (v) all Debt of others directly or indirectly guaranteed (which term shall not include endorsements in the ordinary course of business) by such Person, (vi) all obligations secured by a Lien existing on property owned by such party, whether or not the obligations secured thereby have been assumed by such party or are non-recourse to the credit of such party (but only to the extent of the value of such property) and (vii) all reimbursement obligations of such party (whether contingent or otherwise) in respect of letters of credit, bankers’ acceptances and similar instruments.

“**Default**” means an event, act or condition which with the giving of notice or the lapse of time, or both, would constitute an Event of Default.

“**Defaulted Receivable**” means a Receivable (i) as to which the Obligor thereof or any other Person obligated thereon has taken any action, or suffered any Bankruptcy Event to occur, or (ii) which, consistent with the Credit and Collection Policy, would have been written off the Borrower’s or the applicable Approved Guarantors’ books as uncollectible.

“**Delinquency Ratio**” means, as of any Business Day, a percentage equal to:

$$\frac{\text{DLR}}{\text{ENV}}$$

where:

DLR = The Expected Net Value of all Eligible Receivables which became Delinquent Receivables in the Month prior to the date of calculation (for purposes of illustration, if the date of calculation is the last Business Day of July, then the applicable Month for calculating DLR is June).

ENV = The Expected Net Value of all Eligible Receivables generated by the Borrower and the Approved Guarantors in the Month that is six Months prior to the date of calculation (for purposes of illustration, if the date of calculation is the last Business Day of July, then the ENV is calculated for Eligible Receivables generated by the Borrower and the Approved Guarantors in January).

“**Delinquent Receivable**” means an Eligible Receivable (a) that has not been paid in full on or before the 181st day following the Last Service Date with respect thereto, or (b) that is a Denied Receivable.

“**Denied Receivable**” means any Receivable to which any related representations or warranties (including, without limitation, the Eligibility Criteria) have been discovered at any time to have been breached.

“**Depositary Agreements**” means each Depositary Account Agreement, dated the date hereof, among the applicable Loan Party or Loan Parties, the Agent, and the Lockbox Banks, in substantially the form attached hereto as Exhibit XII-A or Exhibit XII- B, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms.

“**Distribution**” means any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any capital interest in the Borrower, or return any capital to its members as such, or purchase, retire, defease,

redeem or otherwise acquire for value or make any payment in respect of any shares of any class of capital interests in the Borrower or any warrants, rights or options to acquire any such interests, now or hereafter outstanding.

“Division Sale” means the sale, closure, transfer or other disposition of all or substantially all of the assets of any operating division, business or site of the Borrower.

“Documents” means this Agreement, the Depositary Agreements, the Limited Agency Agreement, the Lockbox Agreements, the Borrower’s Certificate, the Borrowing Base Certificate, the Orders and each other document or instrument now or hereafter executed and delivered to the Agent by or on behalf of the Borrower or any Guarantor pursuant to or in connection herewith or therewith (including, without limitation and each other agreement now existing or hereafter created providing collateral security for the payment or performance of any Lender Debt).

“EBIDA” of any Person during any period means, for any period, the sum of (a) change in unrestricted net assets during such period plus (b) Net Interest Expense during such period deducted in the determination of such net income (or net loss) plus (c) depreciation and amortization for such period to the extent included in the determination of net income (or net loss) plus or minus (d) all taxes accrued for such period on or measured by income to the extent deducted or credited in determining such net income (or net loss) minus (e) gains from asset dispositions outside of the normal course of business to the extent included in determining such net income (or net loss) plus (f) losses from asset dispositions outside of the normal course of business to the extent included in determining such net income (or net loss) minus (g) extraordinary gains outside of the normal course of business to the extent included in determining such net income (or net loss) plus (h) extraordinary losses outside of the normal course of business to the extent included in determining such net income (or net loss) minus (i) any charitable contributions that increase Unrestricted Net Assets made during such period plus or minus (j) adjustments to years prior to 2004.

“Eligibility Criteria” means the criteria and basis for determining whether a Receivable shall be deemed by the Agent to qualify as an Eligible Receivable, all as set forth in Exhibit VI hereto, as such Eligibility Criteria may be modified from time to time as determined by the Agent in its reasonable discretion and based on actual collection experience, historical performance and other Obligor-related factually-based credit criteria upon Written Notice to the Borrower.

“Eligible Receivables” means Receivables of the Borrower and the Approved Guarantors that satisfy the Eligibility Criteria (and excluding all Defaulted Receivables and Delinquent Receivables), as determined by the Agent.

“Employee Benefit Plan” means any employee benefit plan within the meaning of § 3(3) of ERISA maintained by the Borrower or any of its ERISA Affiliates, or with respect to which any of them have any liability.

“Emergency Amount” means \$15,000,000 *plus* the Rollover Amount.

“Emergency Budget” means an operating budget for the Borrower and its filing subsidiaries and Guarantors, on a consolidated basis dated July, 2005 and attached hereto as Exhibit XVI, such Emergency Budget to include forecasts of operating revenues, expenses (including restructuring expenses and expenses arising on account of the Chapter 11 Cases), statements of cash flows, capital expenditures, Asset Sales and monetizations, and applicable assumptions, prepared by the management of the Borrower, and covering the period July 1, 2005 through August 31, 2005 as such Emergency Budget is updated and revised by the Borrower from time to time in form and substance satisfactory to the Agent, and subject to any such update or revision being first approved in writing by the Agent.

“Emergency Financing Order” means the order of the Bankruptcy Court in substantially the form attached hereto as Exhibit XVII, as such order may be amended, modified or supplemented from time to time with the express written consent of the Program Manager and the Agent and the approval of the Bankruptcy Court.

“Emergency Financing Order Date” means July 5, 2005.

“EOB” means the explanation of benefit from an Obligor that identifies the services rendered on account of the Receivable specified therein.

“Equity” means the amount set forth on the balance sheet of the Borrower as equity.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any entity which is under common control with, the Borrower within the meaning of ERISA or which is treated as a single employer with the Borrower under the Internal Revenue Code of 1986, as amended.

“Estimated Allocation Report” has the meaning set forth in Section 2.04(b).

“Event of Default” means any of the events specified in Exhibit V hereto.

“Exchange Act” means The Securities Exchange Act of 1934, as amended, and as it may be amended from time to time.

“Excluded Taxes” means taxes upon or determined by reference to a Lender’s net income imposed by the jurisdiction in which such Lender is organized or has its principal or registered lending office.

“Expected Net Value” means, with respect to any Eligible Receivable, the gross unpaid amount of such Receivable on date of creation thereof, times the Net Value Factor.

“Filing Date” has the meaning specified in the recitals to this Agreement.

“Final Budget” means an operating budget for the Borrower and its filing subsidiaries and Guarantors, on a consolidated basis dated August, 2005 and attached to the Final Financing Order), such Final Budget to include forecasts of operating revenues, expenses (including restructuring expenses and expenses arising on account of the Chapter 11 Cases), statements of cash flows, capital expenditures, Asset Sales and monetizations, and applicable assumptions, prepared by the management of the Borrower, and covering the period August 1, 2005 through December 31, 2006 as such Final Budget is updated and revised by the Borrower from time to time in form and substance satisfactory to the Agent, and subject to any such update or revision being first approved in writing by the Agent.

“Final Financing Order” means an order of the Bankruptcy Court (in the form prepared by counsel to the Agent) 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 Program Manager and the Agent 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 Agent and the Program Manager as set forth hereinbefore), reversed, or stayed, and (iii) no appeal from said order has been filed in which the Agent’s, any Lender’s or Program Manager’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 September 6, 2005) on which the Final Financing Order shall have been duly entered by the Bankruptcy Court.

“Fiscal Quarter” means the fiscal quarter of the Borrower, its Subsidiaries and the Approved Guarantors, ending on March 31, June 30, September 30 and December 31 of each year.

“Funding Date” means any Business Day on which a Revolving Advance is made at the request of the Borrower in accordance with provisions of the Agreement.

“GAAP” means generally accepted accounting principles in the United States of America, applied on a consistent basis as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants or in statements of the Financial Accounting Standards Board or the rules and regulations of the Securities and Exchange Commission or their respective successors and which are applicable in the circumstances as of the date in question.

“Gap Collection Amount” means \$[2,000,000], being the amount of all Collections received from the Filing Date until immediately prior to the date and time of the Initial Funding Date *minus* amounts, if any, that are payable to other Persons under the terms of the Intercreditor Agreement.

“GME Pool” means all payments under the graduate medical education

pool of the State of New York, including all cash and non-cash proceeds, accretions or substitutions thereof as funding or provided for pursuant to any relevant statutes, rules 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, and all such mechanisms as may replace the GME Pool as the means by which the Borrower is reimbursed by the State of New York for its costs of graduate medical education.

“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 CMS.

“Guarantor” means collectively 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, Medical Center, P.C., Surgical Service of St. Vincent’s, P.C., and each other Person that becomes a guarantor of the Lender Debt on or after the Initial Funding Date.

“Guaranty” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay), or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect the obligee of such Debt or other obligation of the payment thereof or to protect the obligee against loss in respect thereof (in whole or in part), *provided* that the term Guaranty shall not include endorsements for collection or deposit in the ordinary course of business. The term **“Guaranty”** used as a verb has a corresponding meaning.

“HUD” means the United States Department of Housing and Urban Development, acting directly or through the Federal Housing Agency, together with its successor agencies and departments of the United States of America.

“Indemnified Party” has the meaning set forth in Section 1.09.

“Indigent Care Pool” means 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 New York Health Care Reform Act of 1996,

codified as New York Public Health Law § 2807-(k), and all cash and non-cash proceeds, accretions or substitutions thereof or thereto as funding or provided for pursuant to any relevant statutes, rules 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.

“Initial Deposit Date” for each Month, means the fifth Business Day prior to the end of such Month.

“Initial Funding Date” means July 5, 2005.

“Initial Term” has the meaning set forth in Section 5.07(a).

“Insurer” means any Person (other than a Governmental Entity) which in the ordinary course of its business or activities agrees to pay for healthcare goods and services received by individuals, including commercial insurance companies, nonprofit insurance companies (such as Blue Cross, Blue Shield entities), employers or unions which self-insure for employee or member health insurance, prepaid health care organizations, preferred provider organizations, health maintenance organizations, commercial hospitals, physicians groups or any other similar Person. “Insurer” includes insurance companies issuing health, personal injury, workers’ compensation or other types of insurance but does not include any individual guarantors.

“Intercreditor Agreements” means, collectively, (i) the Authority Intercreditor Agreement; (ii) the CCC Intercreditor Agreement; and (iii) the Commerce Intercreditor Agreement.

“Interest Period” means each one Month period (or shorter period ending on the Maturity Date); *provided*, that the initial Interest Period shall commence on the Initial Funding Date and shall end on the last day of the month in which the Initial Funding Date occurs.

“Interim Amount” means an amount to be agreed upon by the Agent and the Borrower, *plus* the Rollover Amount.

“Interim Budget” means an operating budget for the Borrower and its filing subsidiaries and Guarantors, on a consolidated basis dated July, 2005 and attached to the Interim Financing Order), such Interim Budget to include forecasts of operating revenues, expenses (including restructuring expenses and expenses arising on account of the Chapter 11 Cases), statements of cash flows, capital expenditures, Asset Sales and monetizations, and applicable assumptions, prepared by the management of the Borrower, and covering the period July 15, 2005 through December 31, 2006 as such Interim Budget is updated and revised by the Borrower from time to time in form and substance satisfactory to the Agent, and subject to any such update or revision being first approved in writing by the Agent.

“Interim Financing Order” means the order of the Bankruptcy Court in form, scope and substance acceptable to the Program Manager and the Agent (which order shall include a statement providing that the provisions of the Documents create, on the Initial Funding Date, legal and valid Liens in the Collateral in the Agent’s favor and will constitute a perfected and continuing Lien on all of the Borrower’s Receivables and other Collateral, having priority over all other Liens of third parties, but subject to the Permitted Liens), as such order may be amended, modified or supplemented from time to time with the express written consent of the Program Manager and the Agent 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 Agent and the Program Manager as set forth hereinbefore), reversed, or stayed, and (iii) no appeal from said order has been filed in which the Lender’s 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 July 22, 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) the Program Manager and the Agent each shall have determined that all conditions set forth in Exhibit II.1 shall have been duly satisfied or waived by the Program Manager and the Agent (treating the Interim Financing Order Date as the date on which the initial Revolving Loan is funded).

“Issuance Designated Accounts” has the meaning set forth in the Authority Intercreditor Agreement.

“Last Service Date” means, with respect to any Eligible Receivable, the date set forth on the related invoice or statement as the most recent date on which services, goods or merchandise were provided by the Borrower or the applicable Approved Guarantor to the related patient or customer.

“Lender” means each of the Persons signatory hereto as a lender and any other Person that becomes a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Lender Debt” means and includes any and all amounts due, whether now existing or hereafter arising, under the Agreement or any other Document, including, without limitation, any and all principal, interest, penalties, fees, charges, premiums, indemnities and costs owed or owing to any Lender, the Agent or the Program Manager by the Loan Parties arising under or in connection with this Agreement or any other Document, in each instance, whether absolute or contingent, direct or indirect, secured or unsecured, due or not, arising by operation of law or otherwise, and all interest and other charges thereon, including, without limitation, post-petition interest whether or not such interest is an allowable claim in a bankruptcy.

“Lender Group” means (i) each Lender, the Agent and the Program Manager, and (ii) the Agent’s agents and delegates identified from time to time to effectuate this Agreement.

“**Lender Lockboxes**” means the lockboxes located at the address set forth on Schedule III to receive checks and EOB’s with respect to Receivables payable by Insurers.

“**Lender Lockboxes Accounts**” means the accounts at the Lockbox Banks as set forth on Schedule III hereto as associated with the Lender Lockboxes and established by the Loan Parties to deposit collections, including collections received in the Lender Lockboxes and collections received by wire transfer directly from Insurers, all as more fully set forth in the Depositary Agreements.

“**LIBOR**” for any Interest Period, means the rate per annum established by the Program Manager two Business Days prior to the first day of each Interest Period based on an annualized 30-day interest rate (calculated on the basis of actual days elapsed over a 360-day year) equal to the offered rate that appears on page 3750 of the Dow Jones Market for U.S. dollar deposits.

“**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.

“**Limited Agency Agreement**” means the Limited Agency Agreement, between the Borrower and Computer Sciences Corporation, and accepted and agreed by the Agent, in substantially the form attached hereto as Exhibit XVI, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms.

“**Liquidity Reserve Amount**” means \$3,000,000 (on the Initial Funding Date), *plus* (2) the aggregate amount of Net Proceeds from Asset Sales that have closed since the Filing Date; *provided, that*, the aggregate amount of all additions to the Liquidity Reserve Amount under this clause (2) shall not exceed \$10,000,000, *plus* (3) the initial principal amount of the Priority Real Estate DIP Facility; *provided, further, that*, the Liquidity Reserve Amount shall in no event exceed \$20,000,000.

“**Loan Party**” means the Borrower and each Guarantor.

“**Lockbox**” means either the Borrower Lockboxes or the Lender Lockboxes, as the context requires.

“**Lockbox Account**” means either the Borrower Lockbox Accounts or the Lender Lockbox Accounts, as the context requires.

“**Lockbox Bank**” means the applicable bank set forth on Schedule III hereto, as the context requires.

“**Loss-to-Liquidation Ratio**” means, as of any Business Day, a

percentage equal to:

$$\frac{DR}{C}$$

where:

DR = The Expected Net Value of all Eligible Receivables which became Defaulted Receivables in the Month immediately prior to the date of calculation.

C = Collections on all Eligible Receivables in the Month immediately prior to the date of calculation.

“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, other than the commencement of the Chapter 11 Cases, (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 Agent or any Lender, 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 Agent, for the benefit of the Lenders, under this Agreement or any other Document.

“Maturity Date” means the earliest to occur of (a) the Scheduled Maturity Date, and (b) the date of the occurrence of an Event of Default (unless such event is waived by the Agent and the Required Lenders in writing).

“Maximum Permissible Rate” has the meaning set forth in Section 1.11(a).

“Medicaid” means the medical assistance program established by Title XIX of the Social Security Act (42 U.S.C. Secs. 1396 et seq.) and any statutes succeeding thereto.

“Medicaid Agreement” has the meaning set forth in the Depositary Agreement with Fleet Bank, N.A.

“Medicare” means the health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. Secs. 1395 et seq.) and any statutes succeeding thereto.

“Misdirected Payment” means any form of payment in respect of a Receivable made by an Obligor in a manner other than as provided in the Notice sent to such Obligor.

“Month” means a calendar month.

“Monthly Report Date” means the 25th day of each Month, or if such day is not a Business Day, the next succeeding Business Day.

“Monthly True-Up Report Date” means the third Business Day of each Month.

“Mortgage Collateral” means the Collateral described on Schedule II hereto.

“Mortgage Parties” has the meaning set forth in the Authority Intercreditor Agreement.

“Mortgage Priority Amounts” has the meaning set forth in the Authority Intercreditor Agreement.

“Mortgage Priority Collections” has the meaning set forth in the Authority Intercreditor Agreement.

“Mortgage Priority Receivables” has the meaning of “Receivables”, as defined in the Authority Intercreditor Agreement.

“Mortgage Reporting Date” means the first Business Day of each week.

“Multiemployer Plan” means a plan, within the meaning of § 3(37) of ERISA, as to which the Borrower or any ERISA Affiliate contributed or was required to contribute within the preceding five (5) years.

“Net Interest Expense” means, for any period, interest expense less interest income of the Borrower, its Subsidiaries and the Approved Guarantors for such period determined on a consolidated basis in accordance with GAAP.

“Net Proceeds” means, with respect to any Division Sale or Asset Sale, the gross proceeds received from such Division Sale or Asset Sale after deduction for all reasonable and documented costs, fees and expenses (including reasonable and documented counsel fees) incurred directly and principally in connection therewith, and after deduction for amounts paid on account of, applied against, and in reduction of, any Debt secured by Permitted Liens on the Collateral subject to such Division Sale or Asset Sale (but only to the extent such Permitted Liens are senior in priority to the Liens of the Agent in such Collateral).

“Net Value Factor” means, initially, the percentages set forth on Schedule IV hereto, as such percentages may be adjusted, upwards or downwards, in the sole discretion of the Agent, based on actual or projected collection experience (without regard to the factors set forth in the definition of “Defaulted Receivable”), historical performance and other factually-based credit criteria.

“New Patient Consent Form” has the meaning set forth in clause (i) of Exhibit II hereto.

“Non-Utilization Fee” has the meaning set forth in Section 1.05(c).

“Notice” means a notice letter on a Loan Party’s corporate letterhead to an Obligor in substantially the form attached hereto as Exhibit IX.

“Obligor” means an individual, Insurer or Governmental Entity, as applicable, who is responsible for the payment of all or any portion of a Receivable.

“Orders” means the Emergency Financing Order, the Interim Financing Order and the Final Financing Order, and the cash collateral orders entered into with respect thereto, and any orders modifying any of the foregoing in accordance with the Documents.

“Other Taxes” has the meaning set forth in Section 1.08.

“Outstanding Balance” means, with respect to the Revolving Loan, as of any date of determination, the aggregate outstanding principal balance of the Revolving Loan (plus interest that is due and payable on the Revolving Loan that remains unpaid beyond the first Business Day of such Month, or following an Event of Default, when otherwise due).

“Overadvance” means any Revolving Advance, that results in (or continues to result in) the Revolving Loan exceeding the Borrowing Limit, which may be made and maintained by the Agent from time to time in its sole and absolute discretion.

“Overadvance Limit” means the lesser of (i) an amount equal to 85% of the Expected Net Value of Eligible Receivables as of such time as determined by reference to and as set forth in the most recent Borrowing Base Certificate delivered to the Agent by the Borrower pursuant to Exhibit IV, clause (n)(i), and (ii) the Total Commitment.

“Parking Garage Agreement” means that certain Gross Receipts Security Agreement, dated January 24, 1996, between DASNY and the Borrower (as the successor corporation to the Catholic Medical Center of Brooklyn and Queens, Inc.).

“Parking Garage Receivables” means the “Gross Receipts” relating to the multi-level parking garage facility located at the St. John’s Queens Hospital as defined and described in the Parking Garage Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation or any entity succeeding to all or any of its functions under ERISA.

“Permanently Restricted Net Assets” means, for the Borrower, its Subsidiaries and the Approved Guarantors, permanently restricted assets as indicated

in the equity section on their consolidated balance sheet, in accordance with GAAP.

“Permitted Liens” means (i) with respect to the Receivables, (a) Liens of the Authority and HUD in Receivables identified by the Borrower as arising prior to the Filing Date as described on Schedule II hereto, to the extent that such Liens are subject to the Authority Intercreditor Agreement, (b) Liens in existence on the date of this Agreement of CCC in the CCC Receivables, to the extent that such Liens are subject to the CCC Intercreditor Agreement, (c) Liens in existence on the date of this Agreement of Commerce in the Specified Receivables, to the extent that such Liens are subject to the Commerce Intercreditor Agreement, (d) Liens in existence on the date of this Agreement in the Parking Garage Receivables pursuant to the Parking Garage Agreement, and (e) Liens in existence on the date of this Agreement in the St. Dominic’s Receivables pursuant to the St. Dominic’s Agreement, and (ii) with respect to all other Collateral, any of the following, *provided*, that, except as expressly set forth below, in no event shall any Lien against the Receivables or the related contracts, Collections or proceeds thereof constitute or be deemed be a **“Permitted Lien”**:

(1) Liens in existence on the date of this Agreement including the Liens set forth on Schedule II hereto, including the Liens of the Authority, HUD and CCC described thereon and the Priority Real Estate Liens;

(2) Liens in the Mortgage Collateral arising under a Priority Real Estate DIP Facility.

(3) Liens arising from the filing, for notice purposes only, of financing statements in respect of true leases;

(4) Liens (including purchase money security interests and Liens arising under Capital Leases) arising in connection with the incurrence of Debt permitted pursuant to clause (e)(iii) of Exhibit IV hereto;

(5) with respect to any real property occupied by any Loan Party, all easements, rights of way, licenses and similar encumbrances on title that do not materially impair the use of such property for its intended purposes; and

(6) Liens (including Liens on Receivables) created under the Documents in favor of the Agent.

“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.

“Pre-Petition Collateral” has the meaning set forth in Section 4.02(b).

“Pre-Petition Debt” has the meaning of **“Lender Debt”**, as defined in the Pre- Petition Facility.

“Pre-Petition Facility” has the meaning set forth in the preamble hereto.

“Priority Professional Expense Cap” has the meaning specified in the definition of the term “Carveout”.

“Priority Professional Expenses” means those fees and expenses entitled to a priority as set forth in subparagraph clause “(ii)” of the term “Carveout.”.

“Priority Real Estate Debt” means the Debt described on Schedule VI secured by the “Priority Real Estate Liens”.

“Priority Real Estate DIP Facility” means a term loan with one or more lenders, entered into after the Filing Date with the initial loan proceeds received by the Borrower of at least \$50,000,000 and not to exceed \$100,000,000, pursuant to which the Borrower pledges a senior Lien (superior to the Lien of the Agent) in the Mortgage Collateral, and all extensions and renewals thereof that do not increase the outstanding principal amount thereunder to exceed \$100,000,000.

“Priority Real Estate Liens” means the Liens on the real properties described on Schedule VI as “Priority Real Estate Liens” securing the Priority Real Estate Debt.

“Primary Servicing Responsibilities” has the meaning set forth in Section 2.05(b).

“Pro Rata Share” means, with respect to a Lender, a fraction (expressed as a percentage), the numerator of which is the amount of such Lender’s Revolving Commitment and the denominator of which is the Total Revolving Commitment, or if no Revolving Commitments are outstanding, a fraction (expressed as a percentage), the numerator of which is the amount of Lender Debt owed to such Lender and the denominator of which is the aggregate amount of the Lender Debt owed to the Lenders.

“Professional Expenses” has the meaning specified in the definition of the term “Carveout”.

“Program Documents” means the Documents and the Intercreditor Agreements.

“Program Manager” means (i) Healthcare Finance Group, Inc. or (ii) any other Person then identified by Healthcare Finance Group, Inc. to the Borrower as being authorized to provide administrative services with respect to the finance, funding and collection of healthcare receivables by and on behalf of the Lenders.

“Property” means property of all kinds, movable, immovable, corporeal, incorporeal, real, personal or mixed, tangible or intangible (including, without limitation, all rights relating thereto), whether owned or acquired on or after the date of this Agreement.

“Receivable Information” means the information listed on Exhibit VIII hereto (together with any other information relating to the Receivables provided by the Borrower to the Agent from time to time) as such Exhibit may be modified by the Agent in consultation with the Borrower from time to time.

“Receivables” means all accounts, instruments, general intangibles, health-care-insurance receivables and all other obligations for the payment of money, whether now existing or hereafter arising, including, all payments due from any Governmental Entity including Specified Receivables and those based on a cost report settlement or expected settlement, and all proceeds of any of the foregoing, including those arising out of the rendition of medical, surgical, diagnostic or other professional medical or administrative services or the sale of medical products by a Loan Party in the ordinary course of its business, including all third-party reimbursable portions or third-party directly payable portions of healthcare accounts receivable or general intangibles owing (or in the case of Unbilled Receivables, to be owing) by an Obligor, including all rights to reimbursement under any agreements with and payments from Obligors, patients or other Persons, together with all books, records and other property evidencing or related to the foregoing, all contract rights (including payments thereunder), documents and customer lists (subject to limitations under applicable patient confidentiality laws, rules and regulations), including, without limitation, customer lists, in each case, relating to community health, methadone and other similar type programs, home health services and other similar type programs, pharmacy and other patient lists, and all proceeds of any of the foregoing.

“Related Party” means, with respect to any specified Person, such Person’s Affiliates, incorporators, members and stockholders and the respective agents, attorneys, advisors, officers, directors, members, managers, employees or partners of such Person and such Person’s Affiliates, incorporators, members and stockholders.

“Related Person” means any incorporator, stockholder, Affiliate (other than the Program Manager), agent, attorney, officer, director, member, manager, employee or partner of the Agent or its members or its stockholders.

“Required Lenders” means, at any time, Lenders holding Revolving Commitments representing at least 66 ~% of the Total Revolving Commitment or, if the Revolving Commitments shall have been terminated, having at least 66 ~% of all outstanding Revolving Loan.

“Restricted Assets” means, for the Borrower, its Subsidiaries and the Approved Guarantors, restricted assets as indicated in the current and long-term asset section on their consolidated balance sheet, in accordance with GAAP.

“Revocation Order” has the meaning set forth in the Depositary Agreements.

“Revolving Advance” has the meaning set forth in Section 1.01(a).

“Revolving Commitment” means, (i) at all times that HFG Healthco-4 LLC is the sole Lender, the Total Revolving Commitment and (ii) thereafter, with respect to each Lender, the commitment of such Lender to make Revolving Advances hereunder in an aggregate amount at any time outstanding not in excess of the amount set forth under the name of such Lender on the signature pages hereof or on any amendment hereto, or, if applicable, the amount set forth in the Assignment and Assumption pursuant to which such Lender became a Lender hereunder, in each case, as such commitment may be (a) reduced or increased from time to time pursuant to the term of this Agreement and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 5.03.

“Revolving Loan” has the meaning set forth in Section 1.01(a).

“Rollover Amount” has the meaning set forth in Section 1.01(f).

“Scheduled Maturity Date” means July 5, 2006, as such date may be extended thereafter in accordance with Section 5.07(a).

“Specified Receivables” means Receivables arising from or with respect to and/or identified and/or associated with and/or contained in and/or distributed from the Indigent Care Pool and the GME Pool.

“St. Dominic’s Agreement” that certain Operating Lease Agreement, dated October 1, 1996, between the Primary Care Development Corporation and the Borrower (as the successor corporation to the Catholic Medical Center of Brooklyn and Queens, Inc.).

“St. Dominic’s Receivables” means the “Gross Receipts” relating to the primary care facility located at 114-39-41 Sutphin Boulevard, Jamaica, New York consisting of approximately 17,000 square feet, which facility is known as “St. Dominic’s”, as defined and described in the St. Dominic’s Agreement.

“subsidiary” means, with respect to any Person at any date (the “**parent**”), any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Borrower.

“Sun Life” means Sun Life Assurance Company of Canada (U.S.).

“Sun Life Westchester Mortgage” means the Mortgage and Security Agreement, dated as of February 11, 2005, between the Borrower and Sun Life, in the total initial aggregate amount of \$30,000,000, secured by a first lien mortgage on the property of the Borrower located at 275 North Street, Harrison, New York.

“Superpriority Administrative Expense Claim” has the meaning set forth in Section 4.01.

“Supplemental Servicer” means NCO Financial Systems, Inc. or another recognized third party collection firm selected by the Agent that is not an Affiliate of the Agent and is reasonably acceptable to the Borrower.

“Supplemental Servicing Agreement” means the Supplemental Servicing Agreement, dated as of July __, 2005 between the Borrower and the Supplemental Servicer, to provide supplemental and “hot backup” servicing with respect to the Borrower’s Receivables, which agreement shall provide for assignment of rights to the Agent following an Event of Default and otherwise is reasonably satisfactory in form and substance to the Agent.

“Taxes” has the meaning set forth in Section 1.08.

“Temporarily Restricted Net Assets” means, for the Borrower, its Subsidiaries and the Approved Guarantors, temporarily restricted assets as indicated in the equity section on their consolidated balance sheet, in accordance with GAAP.

“Total Revolving Commitment” means \$100,000,000, as such amount may decrease pursuant to Section 1.06(b) hereof.

“Transmission” means, upon establishment of computer interface between each Loan Party, the Borrower and the Program Manager in accordance with the specifications established by the Program Manager, the transmission of Receivable Information through computer interface or e-mail communication to the Program Manager in a manner satisfactory to the Program Manager.

“TRICARE/CHAMPUS” means the Civilian Health and Medical Program of the Uniformed Service, a program of medical benefits covering former and active members of the uniformed services and certain of their dependents, financed and administered by the United States Departments of Defense, Health and Human Services and Transportation and established pursuant to 10 USC §§ 1071-1106, and all regulations promulgated thereunder including without limitation (a) all federal statutes (whether set forth in 10 USC §§ 1071-1106 or elsewhere) affecting TRICARE/CHAMPUS; and (b) all rules, regulations (including 32 CFR 199), manuals, orders and administrative, reimbursement and other guidelines of all Governmental Entities (including, without limitation, the Department of Health and Human Services, the Department of Defense, the Department of Transportation, the Assistant Secretary of Defense (Health Affairs), and the Office of TRICARE/CHAMPUS, or any Person or entity succeeding to the functions of any of the foregoing) promulgated pursuant to or in

connection with any of the foregoing (whether or not having the force of law) in each case as may be amended, supplemented or otherwise modified from time to time.

“**UCC**” means the Uniform Commercial Code as in effect from time to time in effect in the specified jurisdiction.

“**Unbilled Receivable**” means a Receivable in respect of which the goods have been shipped, or the services rendered, to the relevant customer or patient, rights to payment thereon have accrued, but the invoice has not been rendered to the applicable Obligor.

“**Unrestricted Net Assets**” means, for the Borrower, its Subsidiaries and the Approved Guarantors, net worth indicated on their consolidated balance sheet less temporarily and permanently restricted assets, all as indicated in the equity section on their consolidated balance sheet, in accordance with GAAP.

“**Voluntary Termination Notice**” has the meaning set forth in Section 5.07(a).

“**Written Notice**” and “**in writing**” means any form of written communication or a communication by means of telex, telecopier device, telegraph or cable by the Agent, a Lender or an Authorized Officer, as applicable.

Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

EXHIBIT II

CONDITIONS OF REVOLVING ADVANCES

1. Conditions Precedent on the Initial Funding Date. The making of the Revolving Advance on the Initial Funding Date is subject to the conditions precedent that the Agent shall have received on or before the Initial Funding Date the following, each (unless otherwise indicated) dated such date, in the form prepared by counsel to the Agent or otherwise in form and substance satisfactory to the Agent:

(a) The Program Manager shall have received an Emergency Budget, including revised “to date” projections and cash flows, on a weekly and monthly basis, and shall have been satisfied, in its sole discretion, with its review thereof.

(b) The Program Manager, the Agent and the Lenders shall have received all “first day” pleadings filed with the Bankruptcy Court in connection with the Chapter 11 Cases, such pleadings shall have been filed with the Bankruptcy Court and the Interim Financing Order shall have been issued and entered by the Bankruptcy Court, and such pleadings, filings and Orders shall all be in form and substance satisfactory to the Program Manager and the Agent.

(c) The Emergency Financing Order shall have been entered by the Bankruptcy Court and such order shall be in full force and effect and unstayed and in form and substance satisfactory to the Program Manager and the Agent.

2. Conditions Precedent to all Funding Dates. Each Revolving Advance on a Funding Date shall be subject to the further conditions precedent that the Borrower and the Agent shall have agreed upon the terms of such Revolving Advance and also that:

(a) the Borrower shall have delivered to the Agent, at least one Business Day prior to such Funding Date, in form and substance satisfactory to the Agent (i) a completed Borrower’s Certificate, and (ii) a completed Borrowing Base Certificate, together with such additional information as may reasonably be requested by the Agent or the Program Manager;

(b) on such Funding Date the following statements shall be true and correct (and acceptance of the proceeds of such Revolving Advance shall be deemed a representation and warranty by the Borrower that such statements are then true and correct):

(i) the representations and warranties contained in Exhibits III and VII are correct on and as of the date of such Revolving Advance as though made on and as of such date (except any representations or warranty that expressly indicates that it is being made as of a specific date, in which case such representation or warranty shall be true and correct as of such date), and

(ii) no event has occurred and is continuing, or would result from such Revolving Advance or any actions connected therewith, that constitutes a Default or an Event of Default.

(c) The Emergency Financing Order (if prior to the Interim Financing Order Date), the Interim Financing Order (if prior to the Final Financing Order Date) or the Final Financing Order (if after the Final Financing Order Date), as the case may be, is in form and substance satisfactory to the Agent and the Program Manager, shall be in full force and effect and shall not have been reversed, appealed for good faith, stayed, modified or amended, except for such modifications, and amendments mutually agreed to by the Borrower, the Agent and the Program Manager; and

(d) the Agent shall have received such other approvals or documents as it may reasonably request.

3. Conditions Precedent on the Interim Funding Date.

(a) The making of the Revolving Advance on and after the Interim Order Financing Date is subject to the conditions precedent that the Agent shall have received on or before the Interim Funding Date the following, each (unless otherwise indicated) dated such date, in the form prepared by counsel to the Agent or otherwise in form and substance satisfactory to the Agent:

(i) The Interim Budget, including revised “to date” projections and cash flows, on a weekly and monthly basis, which Interim Budget shall be satisfactory in all respects to the Program Manager in form and substance.

(ii) The Interim Financing Order shall have been entered by the Bankruptcy Court and such order shall be in full force and effect and unstayed and in form and substance satisfactory to the Program Manager and the Agent, and such Interim Financing Order shall include an amendment to this Agreement (mutually agreed upon by the Borrower and the Agent) containing (1) a revised Exhibit XVI hereto (the Interim Budget), (2) a revised clause (ss) to Exhibit V hereto (deviations from Interim Budget), (3) a figure for the “Interim Amount”, and (4) figures in the financial covenants listed on Exhibit V hereto.

(b) The Borrower shall utilize its best efforts to obtain the following items on or prior to the Interim Order Financing Date in the form prepared by counsel to the Agent or otherwise in form and substance satisfactory to the Agent:

(i) Acknowledgments and confirmations of all of the Depositary Agreements and Lockbox Agreements, duly executed by the Borrower, the Guarantors, the Agent and the Lockbox Banks, together with evidence satisfactory to the Agent that the Lockboxes and the Lockbox Accounts are continuing pursuant to previously established funding procedures pursuant to the terms of the Depositary Agreements, which acknowledgments shall set forth and inform the Lockbox Banks of the provisions of Section 2.01(b) of this Agreement.

(ii) An acknowledgment of the CCC Intercreditor Agreement, duly executed by the Agent and CCC, and acknowledged and agreed to by the Borrower.

(iii) An acknowledgment of or amendment to the Authority Intercreditor Agreement, duly executed by the Agent and the Authority, and acknowledged and agreed to by the Borrower.

(iv) An acknowledgment of the Supplemental Servicing Agreement or, if not available, completion of a review by another Person designated by the Program Manager as a “backup servicer” of the Borrower’s management information systems and software programs, as well as such Person’s ability to read and process file information “dumped” on its computer system.

4. Conditions Precedent to the Occurrence of the Final Financing Order Date. The occurrence of the Final Financing Order Date is subject to the conditions precedent that the Lender shall have received on or before such date the following, documents or evidence, in form and substance satisfactory to the Lender, as follows:

(i) a certificate from the Borrower stating that no event has occurred and is continuing that constitutes a Default or an Event of Default;

(ii) each of the items listed in clause 3(b) above with respect to the Interim Financing Order Date that have not been delivered on or prior to such date;

(iii) the Final Budget, including revised “to date” projections and cash flows, on a weekly and monthly basis, which Final Budget shall be satisfactory in all respects to the Program Manager in form and substance; and

(iv) The Final Financing Order is in form and substance satisfactory to the Program Manager and the Lender, shall be in full force and effect and shall not have been reversed, stayed, appealed for good faith, modified or amended, except for such modifications, and amendments mutually agreed to by the Borrower, the Program Manager and the Agent.

EXHIBIT III

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants, subject to the approval of the Bankruptcy Court of this Agreement, as follows:

(a) It is a not-for-profit corporation or, in the case of a Guarantor, a professional service corporation, duly incorporated, validly existing and in good standing under the laws of the State of New York, and is duly qualified to do business, and is in

good standing, in every jurisdiction where the nature of its business requires it to be so qualified.

(b) Subject to the Orders, the execution, delivery and performance by it of the Agreement, the Documents and the other documents to be delivered by it thereunder, (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) do not contravene its certificate of incorporation and its bylaws, and (iv) do not result in or require the creation of any Lien upon or with respect to any of its Properties, other than the security interest created by this Agreement and the Documents. The Agreement has been duly executed and delivered by it. It has furnished to the Agent a true, correct and complete copy of its certificate of incorporation and bylaws, including all amendments thereto.

(c) Except as disclosed on Schedule II hereto 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 Receivables) that it now owns, (ii) to carry on its business as now conducted, (iii) to execute, deliver and perform the Agreement and the other Program Documents to which it is a party, and (iv) to receive payments from the Obligors in the manner contemplated in this Agreement and the other Documents.

(d) Except as disclosed on Schedule II 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.

(e) As of the Initial Funding Date, all conditions precedent set forth in Exhibit II have been fulfilled or waived in writing by the Agent, and as of each Funding Date, the conditions precedent set forth in paragraph 2 of Exhibit II shall have been fulfilled or waived in writing by the Agent.

(f) It is the legal and beneficial owner of the Receivables and, except as disclosed on Schedule II hereto, it is the legal and beneficial owner of the other Collateral and the Agent, for the benefit of the Lenders, holds a valid and perfected first priority security interest in the Receivables, the Collections thereto and all other Collateral, in each case, free and clear of any Lien (other than Permitted Liens listed on Schedule II hereto); the Agent shall acquire a valid first priority Lien in the Collateral and in the Collections with respect thereto, subject to no third-party claims of interest thereon. No effective financing statement or other instrument similar in effect covering

any Receivables, the Collections with respect thereto or the Collateral is on file in any recording office other than those in favor of the Agent relating to the Agreement and Permitted Liens, and to the Borrower's best knowledge no competing notice or notice inconsistent with the transactions contemplated in the Agreement has been sent to any Obligor.

(g) All Receivable Information, information provided in the application for the program effectuated by the Agreement, and each other document, report and Transmission provided by or on behalf of it to the Lender Group is or shall be accurate in all material respects as of its date and as of the date so furnished, and no such document contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

(h) Its principal places of business, chief executive office and the office where its keeps its records concerning the Receivables are located at the addresses referred to on Schedule I hereto and, as of the Initial Funding Date.

(i) Its legal name is the name referred to on Schedule II hereto and, except as disclosed on Schedule II hereto, it has not used and does not now use any fictitious or trade name.

(j) Since the Funding Date prior to the making of this representation, there has occurred no event which has or is reasonably likely to have a Material Adverse Effect.

(k) It maintains only the Borrower Lockboxes and only the Borrower Lockbox Accounts, as described on Schedule III hereto, for Receivables of which the Obligor is a Governmental Entity; the Lender Lockboxes are the only post office boxes and the Lender Lockbox Accounts are the only lockbox accounts maintained for Receivables, the Obligors of which are Insurers; and no direction is in effect directing Obligors to remit payments on Receivables other than to the applicable Lender Lockboxes, Lender Lockbox Accounts, Borrower Lockboxes, or Borrower Lockbox Accounts, each as described on Schedule III hereto.

(l) Except as disclosed on Schedule II, 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.

(m) Except for incidental matters arising from time to time, the sole business of the Loan Parties is the provision of healthcare services, products, merchandise or equipment, including but not limited to the operation of a health plan.

(n) None of its Eligible Receivables constitutes or has constituted an obligation of any Person which is its Affiliate.

(o) The Obligor of each of its Eligible Receivables has not been the Obligor of any Defaulted Receivables in the past 12 months (other than, for the purpose of this clause, as a result of good faith disputes).

(p) It has, or has the right to use, valid provider identification numbers and licenses to generate the Receivables.

(q) Only patient consent forms substantially in the form discussed in the opinions of counsel and in compliance in all material respects with all laws, rules and regulations applicable to such patient consent forms are being obtained from each patient and customer receiving services or products.

(r) It has no Subsidiaries, other than as listed on Schedule II hereto.

EXHIBIT IV
COVENANTS

Until the payment in full of all Lender Debt and the termination of the Revolving Commitment hereunder, each Loan Party agrees as follows:

(a) Compliance with Laws, etc. It 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.

(b) Offices, Records and Books of Account, Names. It 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 on Schedule I hereto or, upon 30 days' prior Written Notice to the Agent, at any other locations in jurisdictions where all actions reasonably requested by the Agent or otherwise necessary to protect, maintain and perfect the Agent's security interest in the Receivables and other Collateral 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 Receivables to the Agent, for the benefit of the Lenders, as collateral security. It shall maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables 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 Receivables (including, without limitation, records adequate to permit the daily identification of each Receivable and all Collections of and adjustments to each existing Receivable) and for providing the Receivable Information.

(c) 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 Receivables and its responsibilities under the Agreement, and timely and fully comply in all material respects with the Credit and Collection Policy in regard to each Receivable and the related contract, and it shall maintain, at its expense, in full operation each of the bank accounts and lockboxes required to be maintained under the Agreement. It shall do nothing, nor suffer or permit any other Person, to impede or interfere with the collection by the Agent, or the Program Manager or any other Person designated by the Agent on its behalf, of the Receivables.

(d) Notice of Breach of Representations and Warranties. It shall promptly (and in no event later than three Business Days following actual knowledge thereof) inform the Agent and the Program Manager of any breach of covenants or representations and warranties hereunder, including, without limitation, upon discovery of a breach of the Eligibility Criteria.

(e) Debt. It will not incur or assume any additional Debt following the Initial Funding Date other than:

(i) Debt existing on the Filing Date and described in Schedule VI hereto, including Debt owing to the Authority and HUD and the Priority Real Estate Debt, and all extensions and renewals thereof that do not increase the outstanding principal amount thereunder;

(ii) the Lender Debt;

(iii) Debt existing on the Filing Date under the Commerce Facilities;

(iv) Debt existing on the Filing Date under the Parking Garage Agreement and the St. Dominic's Agreement;

(v) Debt under the Priority Real Estate DIP Facility;

(vi) Debt (including purchase money security debt and Capital Leases) incurred in connection with the acquisition of property, plant and equipment for the facilities operated by the Borrower on the Initial Funding Date;

(vii) Debt with certain Affiliates, so long as (i) such Debt expressly is subordinated to the Lender Debt and such Affiliate acknowledges and agrees that it will not exercise any rights with respect to such Debt whatsoever so long as any Lender Debt is outstanding hereunder, and (ii) the Borrower shall not make any cash payments of principal, interest or other amounts under such Debt; and

(viii) Unsecured Debt that is expressly subordinate in right of payment and in right of liquidation to the rights of the Agent and the Lenders.

(f) Prepayments. It will not, directly or indirectly at any time prepay, defease, purchase or redeem any Debt in excess of \$100,000, except pursuant to an order of the Bankruptcy Court.

(g) Liens. It will not create or suffer to exist any Liens upon or with respect to, its Properties, including any Collateral, or upon or with respect to any account to which any Collections are sent, except Permitted Liens.

(h) Sales, etc. It will not sell, assign (by operation of law or otherwise) or otherwise dispose of (including, without limitation, any Division Sale) its Properties (including, without limitation, any Collateral), or assign any right to receive income in respect thereof, other than

(i) sales of inventory in the ordinary course of business; and

(ii) so long as no Event of Default is continuing, in a manner expressly contemplated under, and set forth in, the Budgets.

(i) Extension or Amendment of Receivables. It will not amend, waive or otherwise permit or agree to any deviation from the terms or conditions of any Receivable, except in accordance with the Credit and Collection Policy.

(j) Change In Business. It will not make any change in the character of its business from the provision of healthcare services, products, merchandise or equipment, without the prior written consent of the Agent, such consent not to be unreasonably withheld.

(k) Change in Credit and Collection Policy. It will not make any material change in the Credit and Collection Policy without the prior written consent of the Agent.

(l) Audits.

(i) It will, at any time and from time to time during regular business hours as requested by the Agent, permit the Agent and any Lender, or their respective agents or representatives (including the Program Manager), subject to compliance with applicable law in the case of review of patient/customer information (i) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in its possession or under its control, and (ii) to visit its offices and properties for the purpose of examining and auditing such materials described in clause (i) above, and to discuss the Borrower's affairs, including matters relating to Receivables and other Collateral and its performance hereunder or under the contracts with any of its officers or employees having knowledge of such matters. It shall permit the Program Manager to have at least one of its agents or representatives physically present in its administrative office during normal business hours to assist the Borrower in performing its obligations hereunder, including the collection of Receivables so long as such agents do not unreasonably interfere with the Borrower's operations.

(ii) It will make available to the Agent and the Program Manager on a monthly basis (and at such other times as reasonably requested by the Agent and the Program Manager) the chief executive officer and chief financial officer to discuss the preparation and presentation of the reports referred to in items (iv) and (v) of clause (n) in Exhibit IV hereto, and to review and explanation of the assumptions and conclusions contained in such reports

(m) Change in Payment Instructions. It will not terminate, or suffer or permit the termination of, any of the Lockboxes or the Lockbox Accounts, or make any change or replacement in the instructions contained in any Notice or otherwise, or regarding payments with respect to Receivables to be made to the Lockboxes, the Lockbox Accounts or the Standing Revocable Instruction referred to in the Depositary

Agreements or otherwise, or regarding payments to be made to the Agent or the Program Manager, except upon the prior and express written direction of the Program Manager or the Agent.

(n) Reporting Requirements. The Borrower will provide to the Agent (in multiple copies, if requested by the Agent) the following:

(i) on the second Business Day of each week, a Borrowing Base Certificate, but solely to the extent that the Borrower did not provide to the Agent a Borrowing Base Certificate during the immediately preceding week with respect to a Funding Date;

(ii) on a daily basis, an Allocation Report;

(iii) on or prior to the 1st and 15th of each Month, a copy of the "Bi- Weekly Report", together with a revised Borrowing Base Certificate based on reconciliations and adjustments reflected in such Bi-Weekly Report certified by the chief financial officer of the Borrower;

(iv) on or prior to Wednesday of each week, a 13-week rolling cash forecast including actual results for the week ended five days prior to such Wednesday on a comparative basis, bank cash balances, in each case certified as accurate by an Authorized Officer;

(v) within 30 days after the end of each Month (or, with respect to the last Month of each Fiscal Quarter, within 30 days after the end of such Month), an unaudited consolidated balance sheet of the Borrower and its Subsidiaries and Affiliates as at the end of such Month, reported as a group and by hospital and operating division, together with unaudited consolidated statements of operations for such Month, unaudited consolidated statements of cash flows for such Month, EBIDA calculations for such Month, actual working capital amounts for such Month compared against prior working capital projections, and projected cash flows for the immediately following three Month period, all certified by an Authorized Officer;

(vi) as soon as available and in any event within 45 days after the end of each Month of each fiscal year of the Borrower and its Subsidiaries, (x) consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as of the end of such Month and consolidated and consolidating statements of operations and cash flows of the Borrower and its Subsidiaries for the period commencing at the beginning of the current fiscal year and ending with the end of such Month certified by the Chief Financial Officer of the Borrower and (y) compiled statement of assets and liabilities and retained earnings - modified cash basis and a statement of operations - modified cash basis of each Guarantor as of the end of such Month, accompanied by a certificate of an authorized officer of the Borrower stating that, as of such date, (1) no Default or Event of Default has occurred and is continuing, (2) all representations and

warranties set forth in the Agreement are true and correct in all material respects (except any representation or warranty that expressly indicates that it is being made as of a specific date, in which case such representation or warranty shall be true and correct on and as of such date) and (3) detailing the Borrower's compliance for such fiscal period with all financial covenants contained in the Agreement, and to the extent any Default or Event of Default exists, a description of the steps being taken to address such Default or Event of Default;

(vii) (x) on or prior to each Monthly Report Date, a CCC Estimation Report, and (y) on or prior to each Monthly True-Up Report Date, a CCC Monthly True-Up Report;

(viii) as soon as available and in any event within 150 days after the end of each fiscal year of the Borrower and its Subsidiaries, (x) a copy of the audited consolidated financial statements (together with explanatory notes thereon) and the auditor's report letter for such year for the Borrower and its Subsidiaries, containing financial statements for such year certified by the Chief Financial Officer of the Borrower and (y) a compiled statement of assets and liabilities and retained earnings arising from cash transactions and statement of operations arising from cash transactions of each Guarantor as of the end of each fiscal year, accompanied by a certificate of an authorized officer of the Borrower stating that, as of such date, (1) no Default or Event of Default has occurred and is continuing, (2) all representations and warranties set forth in the Agreement are true and correct in all material respects (except any representation or warranty that expressly indicates that it is being made as of a specific date, in which case such representation or warranty shall be true and correct on and as of such date) and (3) detailing compliance for such fiscal period with all the financial covenants contained in the Agreement, and to the extent any Default or Event of Default exists, a description of the steps being taken to address such Default or Event of Default;

(ix) promptly following the distribution or filing thereof, one copy of all press releases and other statements made available by the Borrower to the public concerning developments in its business;

(x) promptly and in any event within five days after the occurrence of each Default or any Event of Default, notice of such event with together with a statement of the chief financial officer of the Borrower setting forth details of such Default or Event of Default, and the action that the Borrower has taken and proposes to take with respect thereto;

(xi) on or prior to the 15th of each Month with respect to the prior Month, monthly and year-to-date volume, admission/discharge and occupancy reports from the chief financial officer of the Borrower;

(xii) promptly after the sending or filing thereof, if any, copies of all reports that the Borrower files with respect to the issuance of tax-exempt

indebtedness;

(xiii) promptly after the filing or receiving thereof, copies of all reports and notices that the Borrower files under ERISA with the Internal Revenue Service or the PBGC or the U.S. Department of Labor or that the Borrower receives from any of the foregoing or from any Multiemployer Plan to which the Borrower is or was, within the preceding five years, a contributing employer, in each case in respect of the assessment of withdrawal liability or an event or condition which could, in the aggregate, result in the imposition of liability on the Borrower in excess of \$250,000;

(xiv) immediately (and in no event later than five days following actual knowledge or receipt thereof), Written Notice in reasonable detail, of (x) the occurrence of an Event of Default, including the occurrence of any other event, notice, status or circumstance which could have a Material Adverse Effect, or (y) the results of any cost report or audit, review and correspondence relating thereto of the Borrower being conducted by any federal, state or county Governmental Entity or its agents or designees;

(xv) promptly and in no event later than 10 days following actual knowledge or receipt thereof, the results of any cost report or similar audits regarding the valuation of receivables payments being conducted by any Governmental Entity or its agents or designees;

(xvi) promptly after the furnishing thereof, copies of any statement or report furnished by the Borrower pursuant to the terms of any indenture, loan, or credit or similar agreement and not otherwise required to be furnished to the Agent pursuant to this Agreement;

(xvii) promptly, and in any event within four Business Days after becoming aware of the occurrence thereof, Written Notice of any matter that could reasonably be expected to have a Material Adverse Effect;

(xviii) within the sixty (60) day period prior to the end of each fiscal year of the Parent, a report reasonably satisfactory in form to the Agent, listing all material insurance coverage maintained as of the date of such report by the Borrower and all material insurance planned to be maintained by the Borrower in the subsequent fiscal year;

(xix) together with the report delivered each Month pursuant to clause (iii) above, internally prepared cost-report settlement estimates with respect to Governmental Entities; and

(xx) such other information respecting the Receivables, the Collateral or the condition or operations, financial or otherwise, of the Borrower and the Guarantors as the Agent may from time to time reasonably request.

(o) Notice of Proceedings; Overpayments; No Setoff Letters. It shall promptly notify the Agent and the Program Manager (and modify the next Borrowing Base Certificate to be delivered hereunder) in the event of any action, suit, proceeding, dispute, set-off, deduction, defense or counterclaim that is or may in the future be asserted by an Obligor with respect to the Receivables. Once amounts owed or to be owed are determined, it shall make all payments to the Obligors necessary to prevent the Obligors from offsetting any earlier overpayment (or such other amounts as may be due to an Obligor) against any amounts the Obligors owe on any Receivables. The Borrower will utilize reasonable efforts to obtain “No Setoff Letters” or an order of the Bankruptcy Court with respect to Accounts whose Obligors are Governmental Entities.

(p) Preservation of Corporate Existence. It shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification would have a Material Adverse Effect.

(q) Subsidiaries. It shall not maintain, suffer to exist, create or acquire any Subsidiaries other than those listed on Schedule II hereto.

(r) Provider Numbers. To the extent not previously accomplished, it shall use its best efforts to (i) obtain separate provider numbers for its nursing home operations from the provider numbers used by its Affiliates that operate nursing homes, as soon as possible and in any event within nine months of the Initial Funding Date, and (ii) once such provider number is obtained, immediately direct all Collections with respect to Governmental Entities to be deposited in a Borrower Lockbox and Borrower Lockbox Account.

(s) Supplemental Servicing Agreement. It will, commencing from the Interim Financing Order Date, maintain in effect the Supplemental Servicing Agreement with the Supplemental Servicer or, in lieu thereof shall cooperate in full and provide full access to computer records and systems management to a servicer designated by the Program Manager as a “hot backup servicer”, who shall review the Borrower’s management information systems and software programs, as well as such Person’s ability to read and process all required file information “dumped” on its computer system.

(t) Financial Consultants. It 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.

(u) Liens. It shall comply with the following and take all actions necessary or appropriate to ensure that:

(i) The Liens granted to the Agent shall be deemed valid and perfected by entry of the Emergency Financing Order, the Interim Financing Order and the Final Financing Order, as the case may be, which entry of the

Emergency Financing Order shall have occurred on or prior to the Initial Funding Date;

(ii) The Liens, lien priorities, administrative expense claim priorities and other rights and remedies granted to the Agent pursuant to this Agreement, the Emergency Financing Order, the Interim Financing Order, the Final Financing Order or the other Documents (specifically including, but not limited to, the existence, perfection and priority of the Agent's Superpriority Administrative Expense Claim and Lien provided for herein and therein, and the administrative expense claim priority provided herein and therein) 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 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, 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:

(1) except for the Carveout having priority over the Lender Debt, no costs except for the fees of the U.S. Trustee under 28 U.S.C. § 1930 having priority over the Lender Debt, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases or any conversion of the same to cases under chapter 7 of the Bankruptcy Code or in any other proceedings related thereto, and no priority claims, are or will be prior to or on a parity with any claim of the Agent, the Program Manager or any of the Lenders against the Borrower in respect of any Lender Debt; and

(2) The Liens granted to the Agent, the Program Manager and the Lenders shall constitute valid and perfected first priority Liens on all of the Collateral of the Borrower subject only to Permitted Liens and the Carveout, and as to which Permitted Liens that are identified under such defined term as senior, the Liens granted to the Agent, the Program Manager and the Lenders shall be subordinate and junior, and shall be prior to all other Liens, now existing or hereafter arising, in favor of any other creditor or other Person.

(v) Emergency Financing Order, Interim Financing Order; Final Financing Order; Administrative Expense Claim Priority; Lien Priority; Payments.

(i) 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 by the Agent and the Program Manager.

(ii) The Borrower shall use its best efforts to ensure that the Interim Financing Order shall be obtained as soon as practical, and in all events

no later than July 22, 2005.

(iii) 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 45 days from the date of the entry of the Interim Financing Order.

(w) Prohibition on Priming of Liens of the Lender. Except with respect to the Permitted Liens, including without limitation, Liens in the Mortgage Collateral arising following the date hereof under a Priority Real Estate DIP Facility, the Borrower shall not permit any person to surcharge the Collateral under § 506(c) of the Bankruptcy Code or to obtain a Lien with respect to the Collateral which is equal or senior to the Lien of the Lender hereunder. Except as expressly provided in this clause, the prohibition on surcharging or priming of Liens of the Agent on the Collateral will survive the termination of this Agreement. Upon the termination of this Agreement, the Borrower agrees that the Bankruptcy Court will retain jurisdiction over the Collateral for this limited purpose of enforcing this clause.

EXHIBIT V

EVENTS OF DEFAULT

Each of the following shall be an “***Event of Default***”:

(a) Default in the due and punctual payment of the principal of the Revolving Loan, when and as the same shall become due and payable (except that the Borrower shall have up five days to cure such a default with respect to a Borrowing Base Deficiency) whether pursuant to Article II of this Agreement, at maturity, by acceleration or otherwise.

(b) Default in the due and punctual payment of any installment of interest on the Revolving Loan or any other Lender Debt, including without limitation, any fee or expense owing to the Agent or any Lender pursuant to any of the Documents, when and as such amount of interest, fee or expense shall become due and payable and such default shall continue unremedied for five days.

(c) Default in the performance or observance of any covenant, agreement or provision (other than as described in clause (a) or (b) above) contained in this Agreement or any other Document or in any instrument or document evidencing or creating any obligation, guaranty or Lien in favor of the Agent in connection with or pursuant to this Agreement or any Lender Debt, and, except in the case of the agreements and covenants contained in any Document as to each of which no notice or a shorter grace period shall apply, such default continues for a period of 30 days after the earlier of (i) there has been given Written Notice of such default to the Borrower by the Agent or (ii) discovery thereof by the Borrower; or if this Agreement or any other Document or any such other instrument or document shall terminate, be terminated or become void or unenforceable for any reason whatsoever without the written consent of the Agent and the Lenders.

(d) A Revocation Order shall have been sent or any change or replacement shall have been made in the Standing Revocable Instruction (as defined in the Depository Agreements) or any Medicaid Agreement.

(e) Any representation or warranty made or deemed made by any Loan Party (other than with respect to the eligibility of Receivables as Eligible Receivables hereunder) under or in connection with the Agreement or any other Document or any information or report delivered by such Loan Party pursuant to the Agreement or any other Document shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered.

(f) 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 Receivables, the Collections with respect thereto and the other Collateral, free and clear of all Liens other than Permitted Liens.

(g) As of any date of determination, the Loan Parties are found to have been overpaid by Governmental Entities by 10% or more during any period covered by an audit conducted by CMS or the State of New York and such overpayment or any installment thereof is not repaid within 30 days of its final adjudication date unless it is otherwise due and payable prior to such date or reserved for in a manner reasonably acceptable to the Program Manager.

(h) Any Loan Party shall fail to perform or observe any material term, covenant or agreement included in the Primary Servicing Responsibilities and such failure shall remain unremedied for 10 days after actual knowledge of the Borrower or notice thereof by the Program Manager or Agent.

(i) [Intentionally Omitted].

(j) The Borrower shall fail to identify with specificity the amount and source of Collections arising from CCC Receivables within three Business Days of receipt thereof either (x) more than twice in any eight week period, or (y) more than three times in any six month period.

(k) There shall have occurred a Material Adverse Effect.

(l) Any Loan Party shall have consummated, or shall have entered into any transaction or agreement which shall result or be intended to result in any Change of Control; or a Change of Control occurs.

(m) Any Loan Party sells, leases, assigns, transfers, or otherwise disposes of any of its Receivables or other Collateral, except as permitted or contemplated under the Agreement.

(n) The Borrower declares or makes any Distribution.

(o) Except as set forth on Schedule II and conditions otherwise existing on the Initial Funding Date, any Loan Party does not maintain, keep, and preserve all of its Properties necessary or useful in the proper conduct of its business in good repair, working order, and condition (ordinary wear and tear excepted) and make all necessary repairs, renewals, replacements, betterments, and improvements thereof.

(p) Any Loan Party does not maintain proper books of record and account in which full, true and correct entries in conformity with GAAP are made of all dealings and transactions in relation to its business and activities.

(q) Any Loan Party does not keep insured by financially sound and reputable insurers all Property of a character usually insured by corporations engaged in the same or similar business similarly situated against loss or damage of the kinds and in the amounts customarily insured against by such corporations and carry such other insurance as is usually carried by such corporations. Each policy referred to in this clause (q) shall provide that it will not be canceled, amended, or reduced except after not

less than 30 days' prior written notice to the Agent and the Program Manager and shall also provide that the interests of the Agent shall not be invalidated by any act or negligence of the Borrower. The Borrower does not advise the Agent promptly of any policy cancellation, reduction, or amendment. Any insurance policy for property, casualty, liability and business interruption coverage for the Borrower does not name the Agent as loss payee (as its interests may appear) or an additional insured, as appropriate.

(r) The Borrower is not performing, or becomes unable (in the commercially reasonable determination of the Agent) to perform, fully the Primary Servicing Responsibilities set forth in Exhibit X hereof.

(s) The Borrower is unable (through no fault of the Agent or Program Manager) to maintain the Transmission interface described in Exhibit XI to the commercially reasonable satisfaction of the Program Manager, or the electronic information servicing capabilities of the Borrower is not functioning, in either case, for a period of more than ten consecutive Business Days.

(t) The Borrower has sent multiple Transmissions to the Program Manager in a manner that is not in compliance with the specifications set forth in Exhibit XI hereof that establishes, in the commercially reasonable judgment of the Program Manager, that the data included in such Transmissions is unreliable in determining the Borrowing Base and other Receivable-based information, for a period of ten consecutive Business Days.

(u) If, at any date, the aggregate Expected Net Value of all Delinquent Receivables that became Delinquent Receivables during the prior 3 Months is in excess of 13% of the aggregate Expected Net Value of all Receivables pledged by the Borrower and the Approved Guarantors to the Agent during the prior 3 Months.

(v) The Loss-to-Liquidation Ratio at end of any Month exceeds 3%.

(w) The arithmetic average of the Loss-to-Liquidation Ratios for any three Months exceeds 1%.

(x) The Delinquency Ratio exceeds 13%.

(y) The arithmetic average of the Delinquency Ratios for any three consecutive Months exceeds 13%.

(z) The Final Financing Order Date shall not have occurred by September 6, 2005.

(aa) 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 Lender Debt hereunder on the effective date thereof or that is otherwise not acceptable to the Agent and the Program Manager, in their sole discretion.

(bb) Intentionally omitted.

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

(dd) 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.

(ee) 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.

(ff) 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 Lender's Revolving Commitment and payment in full in cash of all Lender Debt in a manner satisfactory to the Program Manager and the Agent (whether simultaneously with or prior to the effective date of such plan), and (y) provide for the continuation of the Agent's Liens and priorities until such effective date.

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

(hh) An order with respect to the Chapter 11 Cases shall be entered without the express prior written consent of the Program Manager and the Agent (i) to revoke, vacate, reverse, stay, modify, supplement or amend the credit facility contemplated under this Agreement, any Document, the Emergency Financing Order, the Interim Financing Order or the Final Financing Order, as the case may be, or (ii) to permit any claim against or obligation of the Borrower (now existing or hereafter arising, of any kind or nature whatsoever) to have priority equal or superior to the priority of the Agent, the Lenders and the Program Manager in respect of the Lender Debt, except for the Carveout, the Priority Real Estate Liens and the other Permitted Liens.

(ii) An application for any of the orders described in clause (aa) through (hh) 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.

(jj) An order shall be entered by the Bankruptcy Court granting any creditor of the Borrower relief from the automatic stay which would allow any such creditor to prosecute and collect from or be paid by the Borrower an amount in excess of \$250,000.

(kk) Revolving Advances are utilized to prosecute actions, claims,

demands or causes of action against the Program Manager, the Lenders or the Agent or to object to or contest in any manner or to raise any defense in any pleading to the validity, perfection, priority or enforceability of the Agent's Lien under the Pre-Petition Facility, the Liens and priorities granted hereunder and under the other Documents, the Emergency Financing Order, the Interim Financing Order and the Final Financing Order, and the validity and enforceability of the Lender Debt.

(ll) The Borrower shall attempt to invalidate, reduce or otherwise impair the Agent's or any Lender's Liens, claims or rights against any Person or any Lien purported to be created by this Agreement, the Emergency Financing Order, the Interim Financing Order or the Final Financing Order in any property shall, for any reason, cease to be valid or any action is commenced by any Borrower which contests the validity, perfection or enforceability of any Liens of the Agent and any Lender created by this Agreement, any other Document, the Emergency Financing Order, the Interim Financing Order or the Final Financing Order.

Each of the following and subsections (u) through (y) above shall be an "**Event of Default**" on and after the Interim Financing Order Date:

(mm) Consolidated Net Worth, calculated at the end of any Fiscal Quarter of the Borrower, its Subsidiaries and the Approved Guarantors, is less than the amount set forth below as of the end of the corresponding Fiscal Quarter indicated below:

<u>Fiscal Quarter Ending</u>	<u>Amount</u>
June 30, 2005	\$ [TBD]
September 30, 2005	\$ [TBD]
December 31, 2005	\$ [TBD]
March 31, 2006	\$ [TBD]
June 30, 2006	\$ [TBD]
September 30, 2006	\$ [TBD]
December 31, 2006	\$ [TBD]
March 31, 2007	\$ [TBD]
June 30, 2007	\$ [TBD]

(nn) Consolidated EBIDA, calculated as of the end of each Fiscal Quarter of the Borrower, its Subsidiaries and the Approved Guarantors for the Fiscal Quarter of the Borrower, its Subsidiaries and the Approved Guarantors then most recently ended, is less than the amount set forth below as of the end of the corresponding Fiscal Quarter indicated below.

<u>Fiscal Quarter Ending</u>	<u>Amount</u>
June 30, 2005	\$ [TBD]
September 30, 2005	\$ [TBD]
December 31, 2005	\$ [TBD]
March 31, 2006	\$ [TBD]

June 30, 2006	\$ [TBD]
September 30, 2006	\$ [TBD]
December 31, 2006	\$ [TBD]
March 31, 2007	\$ [TBD]
June 30, 2007	\$ [TBD]

(oo) Accounts Receivable Turnover, calculated as of the end of any Fiscal Quarter of the Borrower, its Subsidiaries and the Approved Guarantors for the four Fiscal Quarters of the Borrower, its Subsidiaries and the Approved Guarantors then most recently ended, is less than [5.25].

(pp) Consolidated Fixed Charge Coverage Ratio, calculated as of the end of any Fiscal Quarter of the Borrower, its Subsidiaries and the Approved Guarantors for the four Fiscal Quarters of the Borrower, its Subsidiaries and the Approved Guarantors then most recently ended, is less than the ratio set forth below as of the end of the corresponding Fiscal Quarter indicated below:

<u>Fiscal Quarter Ending</u>	<u>Ratio</u>
June 30, 2005	0.44
September 30, 2005	0.70
December 31, 2005	0.93
March 31, 2006	0.93
June 30, 2006	0.93
September 30, 2006	0.93
December 31, 2006	0.93
March 31, 2007	0.93
June 30, 2007	0.93

(qq) Consolidated Tangible Net Worth of the Borrower, its Subsidiaries and the Approved Guarantors calculated at the end of any Fiscal Quarter of the Borrower, its Subsidiaries and the Approved Guarantors, is less than the amount indicated opposite each such Fiscal Quarter ended as follows:

<u>Fiscal Quarter Ending</u>	<u>Amount</u>
June 30, 2005	\$ [TBD]
September 30, 2005	\$ [TBD]
December 31, 2005	\$ [TBD]
March 31, 2006	\$ [TBD]
June 30, 2006	\$ [TBD]
September 30, 2006	\$ [TBD]
December 31, 2006	\$ [TBD]
March 31, 2007	\$ [TBD]
June 30, 2007	\$ [TBD]

(rr) Total aggregate Capital Expenditures of the Borrower shall not

exceed (1) \$_____ in any fiscal quarter and (2) \$_____ in any consecutive four fiscal quarter period.

(ss) There occurs a variance (i) from the Interim Budget in an amount and with respect to elements (as to both the metric and variance) set forth in such Interim Budget as established on the Interim Financing Order Date, (ii) from the Final Budget in an amount and with respect to elements set forth in such Final Budget as established on the Final Financing Order Date, or (iii) in any projections contained in any Bi-Weekly Report provided by the Borrower pursuant to clause (n) of Exhibit IV.

EXHIBIT VI

ELIGIBILITY CRITERIA

The following shall constitute the eligibility criteria for acceptance of Receivables for financing and inclusion in the Borrowing Base under the Agreement (the “**Eligibility Criteria**”):

(a) The information provided by the Borrower or applicable Approved Guarantor with respect to each such Receivable is complete and correct and all documents, attestations and agreements relating thereto that have been delivered to the Agent are true and correct. Except with respect to Unbilled Receivables, the Borrower or applicable Approved Guarantor has billed the applicable Obligor and has delivered to such Obligor all requested supporting claim documents with respect to such Receivable and no amounts with respect to such Receivable have been paid as of the date and time of the inclusion of such Receivable in the Borrowing Base. The Borrower and each Approved Guarantor has, or has the right to use, valid identification numbers and licenses to generate valid Receivables. All information set forth in the bill and supporting claim documents with respect to such Receivable is true, complete and correct; if additional information is requested by the Obligor, the Borrower or such Approved Guarantor, as applicable, has or will promptly provide the same, and if any error has been made with respect to such information, the Borrower or such Approved Guarantor, as applicable, will promptly correct the same and, if necessary, rebill such Receivable.

(b) The Borrower’s and Approved Guarantors’ Medicare and Medicaid cost reports with respect to such Receivable for all cost reporting periods ending on or before the date of the last audited cost report have been examined and audited by (i), as to Medicaid, the applicable state agency or other CMS-designated agents or agents of such state agency, charged with such responsibility or (ii), as to Medicare, the Medicare intermediary or other CMS-designated agents charged with such responsibility, except for delays caused by factors not in control of the Borrower or the Approved Guarantors; and there is no basis for any Governmental Entity to assert an offset against the Borrower or any Approved Guarantors.

(c) Each such Receivable (i) is payable in an amount not less than its Expected Net Value, by the Obligors identified by the Borrower or applicable Approved Guarantor in its records as being obligated to do so, (ii) is based on an actual and *bona fide* rendition of services or sale of goods to the patient by the Borrower or applicable Approved Guarantor in the ordinary course of business, (iii) is denominated and payable only in U.S. dollars in the United States, (iv) is an account or general intangible within the meaning of the UCC of the state in which the Borrower or applicable Approved Guarantor is incorporated, and is not evidenced by any instrument or chattel paper, (v) shall be subject to a patient consent form approved by the Agent and executed by the applicable patient, (vi) is net of any contractual allowances, deductible limitations, commissions, fees, or other discounts, and (vii) does not cover any treatment for alcohol, drug or substance abuse, workers’ compensation claims or personal injury claims. There are no payors other than the Obligors identified in the Borrower’s or applicable Approved

Guarantor's records as the payors primarily liable on such Receivable.

(d) Such Receivable was not generated by an operating division, business or site of the Borrower that has been or was sold, assigned or closed within 120 days prior to the generation of such receivable, or as a result of such sale, assignment or closure, the collectibility of such Receivable has been materially impaired.

(e) Each such Receivable (i) is not the subject of any action, suit, proceeding or dispute (pending or threatened), setoff, counterclaim, defense, abatement, suspension, deferment, deductible, reduction or termination by the Obligor thereof (except for statutory rights of Governmental Entities that are not pending or threatened), (ii) is not past, or within 30 days of, the statutory limit for collection applicable to the Obligor thereof or is not aged more than 181 days from its Last Service Date, and (iii) except with respect to Unbilled Receivables, was not billed to the Obligor thereof on a date more than 61 days after the Last Service Date.

(f) Each such Receivable is not due from any Governmental Entity based on any cost report settlement or expected settlement.

(g) None of the Borrower or any Approved Guarantor has any guaranty of, letter of credit providing credit support for, or collateral security for, such Receivable, other than any such guaranty, letter of credit or collateral security as has been assigned to the Agent, for the benefit of the Lenders, and any such guaranty, letter of credit or collateral security is not subject to any Lien in favor of any other Person.

(h) The goods and services provided and reflected by such Receivable were medically necessary for the customer or patient, and the customer or patient has received such goods and services.

(i) The fees charged for the goods and services constituting the basis for such Receivable are consistent with the usual, customary and reasonable fees charged by other similar medical providers for the same or similar goods in the Borrower's or the applicable Approved Guarantor's community and in the community in which the patient resides.

(j) The Obligor with respect to each such Receivable is (i) not currently the subject of any bankruptcy, insolvency or receivership proceeding, nor is it unable to make payments on its obligations when due, (ii) located in the United States of America, (iii) not a subsidiary, parent or other Person that is an Affiliate of the Borrower or any Approved Guarantor, (iv) not the Obligor of any Receivables that was a Defaulted Receivable in the past 12 Months and (v) an Insurer, a Governmental Entity or an individual.

(k) The financing of such Receivables hereunder is made in good faith and without actual intent to hinder, delay or defraud present or future creditors of the Borrower or any Approved Guarantor.

(l) Any insurance policy, contract or other instrument obligating an Obligor to make payment with respect to such Receivable (i) does not contain any provision prohibiting the grant of a security interest in such payment obligation from the patient to the Borrower or any Approved Guarantor, or from the Borrower or such Approved Guarantor to the Agent, (ii) has been duly authorized and, together with such Receivable, constitutes the legal, valid and binding obligation of the Obligor in accordance with its terms, (iii) together with such Receivable, does not contravene in any material respect any requirement of law applicable thereto, and (iv) was in full force and effect and applicable to the customer or patient at the time the goods or services constituting the basis for such Receivable were sold or performed.

(m) The insurance policy, contract or other instrument obligating a Governmental Entity to make payment with respect to such Receivable (i) has been duly authorized and, together with the applicable Receivable, constitutes the legal, valid and binding obligation of the Governmental Entity in accordance with its terms, (ii) together with the applicable Receivable, does not contravene in any material respect any requirement of law applicable thereto, and (iii) was in full force and effect and applicable to the customer or patient at the time the goods or services constituting the basis for such Receivable were sold or performed.

(n) No consents by any third party to the grant of a security interest in such Receivable are required other than consents previously obtained in writing by the Borrower or the applicable Approved Guarantor, a copy of each such consent having been provided to the Agent.

(o) The inclusion of such Receivable in the Borrowing Base would not increase the total aggregate gross value of all Receivables listed below above the corresponding percentages listed below:

<u>Obligor</u>	<u>Maximum Eligibility</u>
Medicare	50%
Medicaid	25%
Blue Cross/Blue Shield	6%
any single AAA rated (non-governmental) Obligor	10%
any single AA rated (non-governmental) Obligor	6%
any single A rated (non-governmental) Obligor	4%
any single BBB rated (non-governmental) Obligor	3%
All BBB rated (non-governmental) Obligors	25%
any single unrated (non-governmental) Obligor	0.5%
All unrated (non-governmental) Obligors	15%

(p) Unless specifically verified and accepted by the Program Manager, no single Eligible Receivable has an Expected Net Value greater than \$100,000.

(q) No Lien which is still in effect on the applicable Funding Date has been made with respect to or granted in any such Receivable except for the Lien in favor of the Agent.

EXHIBIT VII-A
FORM OF BORROWING BASE CERTIFICATE

(See Attached)

EXHIBIT VII-B

FORM OF BORROWER'S CERTIFICATE

HFG Healthco-4 LLC, as Agent
c/o Healthcare Finance Group, Inc.
110 Wall Street
New York, New York 10005

Ladies and Gentlemen:

The undersigned refers to the Loan and Security Agreement, dated as of July 5, 2005 (as the same may be amended, supplemented, restated, or modified from time to time, the "Loan Agreement") among Saint Vincents Catholic Medical Centers of New York, as debtor and debtor-in-possession (the "Borrower"), the Guarantors party thereto, the lenders party thereto (the "Lenders") and HFG Healthco-4 LLC, as agent for the Lenders (in such capacity, the "Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Loan Agreement.

In accordance with Section 1.03 of the Loan Agreement and in fulfillment of the condition precedent set forth in Section 2(a) of Exhibit II thereto, the Borrower hereby gives you irrevocable notice that the undersigned requests a Revolving Advance under the Loan Agreement, and in connection therewith sets forth below the information relating to such Advance as required by Section 1.03 of the Loan Agreement:

Proposed Revolving Advance:

(i) The Funding Date of such Revolving Advance is requested to be _____, _____;

(ii) The amount of the Revolving Advance is requested to be \$_____; and

The Borrower hereby certifies that the following statements are true and correct on the date hereof, and will be true and correct on the date of the proposed Revolving Advance:

(A) the representations, warranties and covenants contained in Exhibits III and IV of the Loan Agreement are and will be true, correct, and in compliance both before and after giving effect to the Revolving Advance requested herein and to the application of the proceeds thereof, as though made on and as of such date (it being understood and agreed that any representation or warranty which by its terms is made on a specified date shall be required to be true and correct only as of such specified date); and

(B) no event has occurred and is continuing, or would result from the Revolving Advance requested herein or from the application of the proceeds thereof that constitutes or an Event of Default; and

(C) the aggregate outstanding principal amount of the Revolving Advances after giving effect to the Revolving Advance requested herein is not in excess of the lesser of the Revolving Commitment and the Borrowing Limit.

Very truly yours,

SAINT VINCENTS CATHOLIC MEDICAL
CENTERS OF NEW YORK

By: _____

Name:

Title:

EXHIBIT VIII

RECEIVABLE INFORMATION

Subject to compliance with and the limitations of applicable law in effect from time to time, including, without limitation, patient confidentiality restrictions which may limit or otherwise proscribe the providing of requested medical information, the following information shall, as appropriate, be provided by the Borrower Representative to the Program Manager with respect to the Receivables, together with such other information and in such form as may reasonably be requested from time to time by the Agent (the “**Receivable Information**”):

- (i) customer/patient demographic information;
- (ii) insured party demographic and other policy-related information;
- (iii) services and products classification information (*i.e.*, D.R.G. and other like information established by the Loan Parties from time to time to classify services rendered by the Loan Parties or goods sold at or by the Loan Parties’ institutions);
- (iv) Obligor required information (*i.e.*, information provided in the ordinary course of business to any specified Obligor or any other information required to be provided to an Obligor pursuant to any agreement, contract or other arrangement with such Obligor); and
- (v) billing information (*i.e.*, all information provided by the Borrower on invoices to Obligors and any other information required to be provided pursuant to the Credit and Collection Policy and, to the extent the Transmission will not be via computer interface, including a copy of the admitting face sheet, CMS Form and a detailed copy of the bill).

EXHIBIT IX

FORM OF NOTICE TO OBLIGORS

[Letterhead of Applicable Loan Party]

[Date]

[Name and Address
of Obligor]

Re: Change of Account and Address

To Whom it May Concern:

Please be advised that you are hereby directed to make:

- (1) All wire transfers directly to the following account:

Account # _____

ABA # _____

Confirm Phone Number: _____

Attention: _____

- (2) All Explanation of Benefits, remittance advices and other forms of payment, including checks, to the following address:

Reference: HFG HEALTHCO-4 LLC

The foregoing directions shall apply to all existing receivables payable to us and (until further written notice) to all receivables arising in the future and may not be revoked except by a writing executed by the Agent.

Please acknowledge your receipt of this notice by signing the enclosed copy of this letter and returning it in the enclosed envelope.

Thank you for your cooperation in this matter.

[NAME OF LOAN PARTY]

By: _____
[Authorized Officer]

Agreed to and Acknowledged:
[Name of Obligor]

By: _____
Title:

EXHIBIT X

PRIMARY SERVICING RESPONSIBILITIES

The Borrower shall be responsible for the following administration and servicing obligations (the “**Primary Servicing Responsibilities**”) which shall be performed by the Borrower until such time as a successor shall be designated and shall accept appointment pursuant to Section 2.05(b) of the Agreement:

(a) Servicing Standards and Activities. The Borrower shall administer and service the Receivables (i) within the parameters of services set forth in paragraph (b) of this Exhibit X, as such parameters may be modified by mutual written agreement of the Agent, (ii) in compliance at all times with applicable law and with the agreements, covenants, objectives, policies and procedures set forth in the Agreement, and (iii) in accordance with industry standards for servicing healthcare receivables unless such standards conflict with the procedures set forth in paragraph (b) of this Exhibit X in which case the provisions of paragraph (b) shall control. The Borrower shall establish and maintain electronic data processing services for monitoring, administering and collecting the Receivables in accordance with the foregoing standards and shall, within three Business Days of the deposit of any checks, other forms of cash deposits, EOB’s or other written matter into a Lockbox, post such information to its electronic data processing services.

(b) Parameters of Primary Servicing. The Primary Servicing Responsibilities shall be performed within the following parameters:

(i) Subject to the review and authority of the Agent and except as otherwise provided herein, the Borrower shall have full power and authority to take all actions that it may deem necessary or desirable, consistent in all material respects with the Credit and Collection Policy with respect to the administration and servicing of accounts receivable, in connection with the administration and servicing of Receivables. Without limiting the generality of the foregoing, the Borrower shall, in the performance of its servicing obligations hereunder, act in accordance with all legal requirements and subject to the terms and conditions of the Agreement.

(ii) During the continuance of an Event of Default, subject to the Orders, at the Agent’s request, all enforcement and collection proceedings shall, unless prohibited by applicable law, be instituted and prosecuted in the name of the Agent.

(iii) Subject to the Orders, the Borrower shall not change in any material respect its existing policies and procedures with respect to the administration and servicing of accounts receivable (including, without limitation, the amount and timing of write-offs) without the prior written consent of the Agent.

(iv) The Borrower will be responsible for monitoring and collecting

the Receivables, including, without limitation, contacting Obligors that have not made payment on their respective Receivables within the customary time period for such Obligor, and resubmitting any claim rejected by an Obligor due to incomplete information.

(v) If the Borrower determines that a payment with respect to a Receivable has been received directly by a patient or any other Person, the Borrower shall promptly advise the Agent, and the Agent shall be entitled to presume that the reason such payment was made to such patient or other Person was because of a breach of representation or warranty in the Agreement with respect to such Receivable (such as, by way of example, the forms related to such Receivable not being properly completed so as to provide for direct payment by the Obligor to the Borrower), unless the Borrower shall demonstrate that such is not the case. In the case of any such Receivable which is determined not to be a Denied Receivable, the Borrower shall promptly demand that such patient or other Person remit and return such funds. If such funds are not promptly received by the Borrower, the Borrower shall take all reasonable steps to obtain such funds.

(vi) Notwithstanding anything to the contrary contained herein, neither the Borrower nor any Guarantor may amend, waive or otherwise permit or agree to any deviation from the terms or conditions of any Receivable (other than a Denied Receivable) in a manner inconsistent with the Credit and Collection Policy without the prior consent of the Agent.

(c) Termination of Primary Servicing Responsibilities; Cooperation. Subject to the Order, upon the occurrence of an Event of Default, the Agent may, and at the request of the Required Lenders shall, terminate the performance of the Primary Servicing Responsibilities by the Borrower, in which event the Borrower shall immediately transfer to a successor servicer designated by the Agent all records, computer access and other information as shall be necessary or desirable, in the judgment of such successor servicer, to perform such responsibilities. The Borrower shall otherwise cooperate fully with such successor servicer.

(d) Reports. The Primary Servicer shall, together with the Borrower, be responsible for the preparation and delivery of the following reports:

- (i) on each Business Day, the Allocation Report;
- (ii) on or prior to each Monthly Report Date, a CCC Estimation Report; and
- (iii) on or prior to each Monthly True-Up Report Date, a CCC Monthly True-Up Report.

EXHIBIT XI

INTERFACE WITH THE PROGRAM MANAGER

1. The Program Manager will convey appropriate data requirements and instructions to the Borrower to establish a computer interface between the Loan Parties' systems and the Program Manager's receivables monitoring system. The interface will permit the Program Manager to receive electronically the Loan Parties' accounts receivable data, including the Receivable Information, billing data and collection and other transaction data relating to the Receivables.
2. The Borrower shall give the Program Manager at least ten Business Days' notice of any coding changes or electronic data processing system modifications made by any Loan Party which could affect the Program Manager's processing or interpretation of data received through the interface.
3. Subject to the terms and conditions of Exhibit XIII hereto, the Program Manager shall have no responsibility to return to any Loan Party any information which the Program Manager receives pursuant to the computer interface.
4. The Borrower will prepare monthly accounts receivable data files of all transaction types for certain of its sites that are included in the program and paper files for other sites included in the program. The monthly cutoff will occur at a predetermined time in each such period, and such cutoff date for all of the sites must occur at exactly the same time. The cutoff date that will be selected will be at the end of business for a specific day of the month, or in other words, at the end of the Borrower's transaction posting process for that day. The Borrower will temporarily maintain a copy of the accounts data files that are in electronic form in the event that the data is degraded or corrupted during transmission, and needs to be re-transmitted.

The Program Manager will be responsible for the management of the hardware, communications and software used in the program.

5. The Program Manager's data center will receive the Receivables data files, and immediately confirm that the files have been passed without degradation or corruption of data by balancing the detailed items to the control totals that accompany the files. Any problems in this process will be immediately reported to the Borrower so that the Receivables data file can be re-transmitted, if necessary.
6. Once the receipt of the Receivables data files has been confirmed, the Program Manager will perform certain tests and edits to determine which Receivables meet the Eligibility Criteria. Compliance with concentration limits will be verified by the Program Manager.
7. The Loan Parties' sites will continue to post daily transactions to its Receivable files and deliver them to the Program Manager on a monthly basis. The Loan Parties' Receivable files, and for those sites that report in paper format, reports, for each of the sites included in the program will include all transactions posted through that the end of the Month for which electronic files or reports are being provided. The Borrower will create a transaction report and a Receivable file for

each of the sites included in the program. The transaction reports will contain all transactions posted to the Receivable file, and for those sites that report in paper format, reports, for the specified period (and will indicate the site and the number of items and total dollars on each transaction report for control purposes). The Receivable file will contain balances that reflect the transactions posted on the Loan Parties' systems through the end of business of the specified period.

The Borrower (and upon request from the Program Manager, each Loan Party) will transmit the billing, transaction, and the most current Receivable data files to the Program Manager's data center according to the established schedule. The Borrower should, again, maintain the backup of each of these files in the event that a re-transmission is necessary.

8. The Program Manager's data center will confirm that the files have been received intact, and will immediately communicate any problems to the Borrower in order to initiate a re-transmission. The Program Manager will then post the transaction files and consequently update the affected balances. Upon completion of the posting process, the Program Manager will generate summary reports of the posting process that the Program Manager will use to complete various funding activities. The Program Manager summary reports will reference the Loan Parties' transaction codes and activity to codes that are common to the funding program.
9. The Program Manager will then compare the updated accounts balances on the Program Manager's system to the corresponding account balances reflected on the Receivable file. The Program Manager expects that the balances for the funded Receivables will be congruent, and any discrepancies will be immediately examined and resolved through the cooperative effort of the Program Manager and the Loan Parties. The Program Manager shall produce discrepancy reports (e.g., "Funding Only" or "Out of Balance" reports) and the Borrower shall respond promptly to such reports.
10. Once the reconciliation process has been completed and any discrepancies between the Program Manager's and the Loan Parties' Receivable data files resolved through the discrepancy report process described in paragraph 9 above, the Program Manager will then process the Receivables file and advise the Agent that the Lenders may make additional Revolving Advances with respect to any new Receivable that has satisfied the Eligibility Criteria. The Program Manager will then proceed through exactly the same process described in paragraph 6 above.
11. The Program Manager will use its best commercially reasonable efforts subject to Section 5.08 of the Agreement to comply with, and to cause the members of the Lender Group to comply with, all laws and regulations applicable to its duties hereunder, including patient confidentiality laws and regulations, whether as set forth under the Health Insurance Portability and Accountability Act of 1996, if and when such regulations become effective, or otherwise.

EXHIBIT XII-A

FORM OF DEPOSITARY AGREEMENT ACKNOWLEDGMENT (FLEET BANK)

EXHIBIT XII-B

FORM OF DEPOSITARY AGREEMENT ACKNOWLEDGMENT (JPMORGAN CHASE)

EXHIBIT XIII

PROTECTED HEALTH INFORMATION

1. Definitions. As used in this Exhibit XIII, the following capitalized terms shall have the following meanings. Capitalized terms contained herein and not otherwise defined herein shall have the meanings given to such terms in Exhibit I or under the Privacy Standards.

“Business Associate” means each member of the Lender Group, which, on behalf of a Covered Entity, performs or assists in the performance of a function or activity involving the Use or Disclosure of Protected Health Information. For purposes of this Agreement, each Business Associate shall be referred to as a **“Non-Covered Entity”**.

“Covered Entity” means the Loan Parties, and to the extent to which it receives and/or transmits Protected Health Information to or from a Non-Covered Entity, each Lender.

“Designated Record Set” means a group of records maintained by or for any Covered Entity that is:

- (a) The medical records and billing records about Individuals maintained by or for a Covered Entity; or
- (b) Used, in whole or in part, by or for such Covered Entity to make decisions about Individuals.

For purposes of this definition, the term **“Record”** means any item, collection, or grouping of information that includes Protected Health Information and is maintained, collected, used, or disseminated by or for a Covered Entity.

“Disclose” or **“Disclosure”** means the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside the entity holding the Protected Health Information.

“Electronic Media” means a mode of electronic transmission, including the internet (wide-open), extranet (using internet technology to link a business with information only accessible to collaborating parties), leased lines, dial-up lines, private networks, and those transmissions that are physically moved from one location to another using magnetic tape, disk, or compact disk media.

“Individually Identifiable Health Information” is information, including demographic information, collected from an Individual that:

- (a) Is created or received by a Covered Entity; and

(b) Relates to the past, present, or future physical or mental health or condition of an Individual, the provision of health care to an Individual, or the past, present, or future payment for the provision of health care to an Individual; and,

(i) That identifies the Individual; or,

(ii) With respect to which there is a reasonable basis to believe the information can be used to identify the Individual.

“Privacy Standards” means the Standards for Privacy of Individually Identifiable Health Information contained in 45 C.F.R. Parts 160 and 164.

“Protected Health Information” means any Individually Identifiable Health Information that is transmitted in any form or medium by a Covered Entity to a Non-Covered Entity pursuant to this Agreement, but excluding any Individually Identifiable Health Information excluded from the definition of Protected Health Information under the Privacy Standards.

“Use” means, with respect to Individually Identifiable Health Information, the sharing, employment, application, utilization, examination, or analysis of such information within an entity that maintains such information.

2. Use and Disclosure of Protected Health Information. Each Non-Covered Entity agrees that it and its employees, officers, and directors (collectively, its **“Employees”**) will not Use and Disclose the Protected Health Information provided to it by a Covered Entity under this Agreement except as permitted or required by this Agreement or as otherwise required by law, and will ensure that any of its agents or subcontractors (collectively, **“Agents”**) to whom it provides Protected Health Information received from a Covered Entity agrees to the same restrictions and conditions that apply throughout this Exhibit XIII with respect to such information. Further, any Non-Covered Entity may:

(a) Use the Protected Health Information received by such Non-Covered Entity in its capacity as a Business Associate if necessary for the proper management and administration of such Non-Covered Entity or to carry out its legal responsibilities; or,

(b) Disclose the Protected Health Information received by such Non-Covered Entity in its capacity as a Business Associate if necessary for the proper management and administration of such Non-Covered Entity or to carry out its legal responsibilities if:

(i) the Disclosure is required by law; or,

(ii) such Non-Covered Entity obtains reasonable assurances from the person to whom the Protected Health Information is Disclosed that it will be held

confidentially and Used or further Disclosed only as required by law or for the purpose for which it was Disclosed to the person, and the person agrees in writing to notify the Non-Covered Entity of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

3. Business Associate Records. Each Non-Covered Entity agrees that it will implement a suitable record keeping system that enables such Non-Covered Entity to trace all Disclosures of Protected Health Information as would be required by a Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information under the Privacy Standards.

4. Appropriate Safeguards for Privacy of Information. Each Non-Covered Entity agrees that it will use appropriate safeguards to prevent Use or Disclosure of Protected Health Information other than as are permitted by the Agreement and this Exhibit XIII.

5. Reporting Inappropriate Use or Disclosure of Information. The Non-Covered Entities shall notify the Covered Entities in writing of any Use or Disclosure prohibited hereunder of Protected Health Information by a Non-Covered Entity of which a Non-Covered Entity becomes aware.

6. Permissible Requests by Covered Entity. Except as set forth in this Exhibit XIII, a Covered Entity shall not request any Non-Covered Entity to Use or Disclose Protected Health Information in any manner that would not be permissible under the Privacy Standards if done by Covered Entity.

7. Access to Information. Each Non-Covered Entity shall, within a reasonable time period following the request of any Covered Entity, provide such Covered Entity with access to Protected Health Information about an Individual contained in a Designated Record Set in order for the Covered Entity to meet the requirements under 45 C.F.R. § 164.524.

8. Amendment of Protected Health Information. Each Non-Covered Entity agrees that it will, within a reasonable time period of such a request by the Covered Entity, make any amendments to Protected Health Information in a Designated Record Set which the Covered Entity directs or agrees to under 45 C.F.R. § 164.526.

9. Accounting of Disclosures. Each Non-Covered Entity agrees that it will, within a reasonable time period after being notified that the Covered Entities, or any of them, received a request by an Individual for an accounting of Disclosures of Protected Health Information made regarding the Individual within the six (6) years prior to the date on which the accounting is requested, make available to the relevant Covered Entities the information under Section (c) above to provide an accounting of Disclosures in accordance with 45 C.F.R. § 164.528. Each Non-Covered Entity agrees to provide the relevant Covered Entities with the following information for each such request:

- (a) the date of the Disclosure;

(b) the name of the entity or person who received the Protected Health Information and, if known, the address of such entity or person;

(c) a brief description of the Protected Health Information Disclosed;
and

(d) a brief statement of the purpose of the Disclosure that reasonably informs the Individual of the basis for the Disclosure.

10. Information to be Available to the Secretary. Each Non-Covered Entity agrees that it will make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created or received by such Non-Covered Entity on behalf of, the Covered Entities available to the Secretary of the Department of Health and Human Services for purposes of determining the Covered Entities compliance with the Privacy Standards.

11. Term and Termination.

(a) Term. This Exhibit XIII shall be effective as of the date hereof.

(b) Termination for Cause. Upon a reasonable determination by Covered Entity of a material breach by a Non-Covered Entity hereunder, Covered Entity shall provide an opportunity for the Non-Covered Entity to cure the breach or end the violation. If the Non-Covered Entity does not cure the breach or end the violation within a reasonable time period after written notice of the exact nature of the breach and the proposed cure, the Covered Entity shall, if feasible, terminate: (A) this Exhibit XIII; and (B) all of the provisions of the Documents that involve the use or disclosure of Protected Health Information; provided, however, that such termination shall be deemed to be not feasible unless and until this Agreement is likewise terminated in accordance with its terms or the Non-Covered Entity otherwise agrees in writing to such termination. If neither termination nor cure are feasible in accordance with this paragraph, Covered Entity shall provide the Non-Covered Entity with a copy of any proposed report of the violation in sufficient time for the Non-Covered Entity to review and comment upon such proposed report prior to submission to the Secretary (and in any event, at least ten days prior to such submission) and report the violation to the Secretary.

(c) Effect of Termination.

(i) Upon termination of this Exhibit XIII, for any reason, the Non-Covered Entity shall return or destroy all Protected Health Information received from Covered Entity, or created or received by the Non-Covered Entity on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of the Non-Covered Entity. The Non-Covered Entity shall retain no copies of the Protected Health Information.

(ii) In the event that the Non-Covered Entity determines that returning or destroying the Protected Health Information is infeasible, the Non-Covered Entity shall

provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, the Non-Covered Entity shall extend the protections of this Exhibit XIII to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as the Non-Covered Entity maintains such Protected Health Information.

EXHIBIT XIV-A
FORM OF AUTHORITY INTERCREDITOR AGREEMENT

EXHIBIT XIV-B
FORM OF CCC INTERCREDITOR AGREEMENT

EXHIBIT XIV-C
FORM OF COMMERCE INTERCREDITOR AGREEMENT

EXHIBIT XV
FORM OF LIMITED AGENCY AGREEMENT

SCHEDULE I

ADDRESSES FOR NOTICE

If to the Agent:

HFG Healthcare-4 LLC
c/o Healthcare Finance Group Inc.
110 Wall Street
New York, New York 10005
Attention: Chief Credit Officer
Tel: (212) 785-9212
Fax: (212) 785-9211

with a copy to:

Kaye Scholer LLP
425 Park Avenue
New York, New York 10022
Attn: Terry Novetsky, Esq.
Tel: (212) 836-8590
Fax: (212) 836-6490

If to the Program Manager:

Healthcare Finance Group Inc.
110 Wall Street
New York, New York 10005
Attention: Chief Credit Officer
Tel: (212) 785-9212
Fax: (212) 785-9211

with a copy to:

Kaye Scholer LLP
425 Park Avenue
New York, New York 10022
Attn: Terry Novetsky, Esq.
Tel: (212) 836-8590
Fax: (212) 836-6490

If to any Loan Party:

Saint Vincents Catholic Medical Centers of New York
450 West 33rd Street, 12th Floor

New York, New York 10001
Attention: Chief Financial Officer
Tel: (212) 356-4731
Fax: (212) 356-4687

with a copy to:

450 West 33rd Street, 12th Floor
New York, New York 10001
Attention: Senior Vice President & Chief Legal Officer
Tel: (212) 356-4791
Fax: (212) 356-4990

and

McDermott Will & Emery LLP
50 Rockefeller Plaza
New York, New York 10020
Attn: James Sullivan, Esq.
Tel: (212) 547-5400
Fax (212) 547-5444

SCHEDULE II

DISCLOSURES

SCHEDULE III

LOCKBOX INFORMATION

BORROWER LOCKBOXES

At Fleet Bank, N.A.:

PO Box 33130
Hartford, CT 06150-3130

P.O. Box 33188
Hartford, CT 06150-3188

At JPMorgan Chase Bank:

P.O. Box 6269 Church Street Station New York, NY 10249-6269	P.O. Box 6277 Church Street Station New York, NY 10249-6277	P.O. Box 6289 Church Street Station New York, NY 10249-6289
P.O. Box 5569 Church Street Station New York, NY 10249-5569	P.O. Box 6251 Church Street Station New York, NY 10249-6251	

LENDER LOCKBOXES

At Fleet Bank, N.A.:

P.O. Box 32403 Hartford, CT 06150-2403	P.O. Box 32454 Hartford, CT 06150-2454	P.O. Box 32455 Hartford, CT 06150-2455
P.O. Box 32757 Hartford, CT 06150-2757	P.O. Box 32758 Hartford, CT 06150-2758	P.O. Box 32892 Hartford, CT 06150-2892
P.O. Box 32893 Hartford, CT 06150-2893	P.O. Box 32894 Hartford, CT 06150-2894	P.O. Box 32895 Hartford, CT 06150-2895
P.O. Box 32988 Hartford, CT 06150-2988 P.O. Box 32405 Hartford, CT 06150-2405	P.O. Box 33131 Hartford, CT 06150-3131 P.O. Box 32845 Hartford, CT 06150-2845	P.O. Box 32404 Hartford, CT 06150-2404 P.O. Box 33066 Hartford, CT 06150-3066
P.O. Box 33328 Hartford, CT 06150-3328	P.O. Box 33332 Hartford, CT 06150-3332	P.O. Box 32452 Hartford, CT 06150-2452

P.O. Box 32453
Hartford, CT 06150-2453

P.O. Box 32449
Hartford, CT 06150-2449

P.O. Box 32450
Hartford, CT 06150-2450

P.O. Box 32451
Hartford, CT 06150-2451

At JPMorgan Chase Bank:

P.O. Box 6185 Church Street Station New York, NY 10249-6185	P.O. Box 6091 Church Street Station New York, NY 10249-6091	P.O. Box 6006 Church Street Station New York, NY 10249-6006
P.O. Box 6243 Church Street Station New York, NY 10249-6243	P.O. Box 6266 Church Street Station New York, NY 10249-6266	

SCHEDULE IV

NET VALUE FACTORS

MANHATTAN	WESTCHESTER	BROOKLYN/ QUEENS	STATEN ISLAND	HOME CARE	SKILLED NURSING	PHYSICIANS BILLING	SELF-PAY
39%	69.61%	37.62%	33.38%	87%	72%	18%	29.04%

SCHEDULE V

CREDIT AND COLLECTION POLICY

SCHEDULE VI

PRIORITY REAL ESTATE LIENS

[To be provided by the Borrower, and include Sun Life and DASNY/HUD, etc.]

1. the Sun Life Westchester Mortgage and Liens created by the Sun Life Westchester Mortgage in favor of Sun Life; and
2. the Additional Sun Life Mortgages Liens created by the Additional Sun Life Mortgage in favor of Sun Life.
3. DASNY/HUD Debt and Liens - to be provided by the Borrower

LOAN AND SECURITY AGREEMENT

Dated as of July 5, 2005

Among

SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK,
a debtor and debtor-in-possession

as the Borrower

THE GUARANTORS

THE LENDERS

and

HFG HEALTHCO-4 LLC
as Agent

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EXHIBIT “B”

BUDGET

St. Vincent Catholic Medical Centers of New York
Short Term Cash Flow Projections - Bankruptcy

	7/8/2005	7/15/2005	7/22/2005	7/29/2005	July Subtotal	8/5/2005	8/12/2005	8/19/2005	8/26/2005	9/2/2005	August Subtotal	Total
Cash Receipts												
Medicare PIP	-	9,352,038	-	9,352,038	18,704,076	-	9,352,038	-	9,352,038	-	18,704,076	37,408,152
Medicaid	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000	4,995,000	4,995,000	4,995,000	4,995,000	4,995,000	24,975,000	48,975,000
All Other Payor Receipts	9,000,000	13,789,791	11,837,379	12,770,681	47,397,851	9,856,005	10,387,783	8,089,286	9,668,458	8,166,141	46,167,673	93,565,523
DOD	-	6,891,341	-	-	6,891,341	-	7,102,846	-	-	-	7,102,846	13,994,187
Long Term Care Receipts	1,800,000	1,818,091	1,818,091	1,818,091	7,254,274	1,514,068	1,514,449	1,514,449	1,514,449	1,514,449	7,571,864	14,826,138
Pool Receipts	-	-	-	3,981,912	3,981,912	-	-	-	-	3,718,374	3,718,374	7,700,286
Other Cash Receipts	900,000	900,000	900,000	900,000	3,600,000	900,000	900,000	900,000	900,000	900,000	4,500,000	8,100,000
Asset Divestitures	-	-	-	-	-	-	-	18,000,000	-	-	18,000,000	18,000,000
Loan Proceeds	-	4,800,000	-	-	4,800,000	-	-	-	-	-	-	4,800,000
Captive PCs	140,000	144,950	144,853	144,271	574,075	144,271	144,271	144,271	144,271	146,421	723,505	1,297,580
Total Cash Receipts	17,840,000	43,696,212	20,700,323	34,966,994	117,203,529	17,409,345	34,396,387	33,643,006	26,574,216	19,440,385	131,463,337	248,666,866
Cash Disbursements												
Payroll, Related Benefits, Taxes	8,302,903	27,854,719	7,802,903	28,417,488	72,378,012	8,302,903	23,467,488	8,802,903	19,967,488	15,802,903	76,343,684	148,721,696
Insurance	6,100,000	-	-	-	6,100,000	2,527,746	-	-	-	-	2,527,746	8,627,746
Building and Equipment Rentals	1,237,000	-	-	-	1,237,000	1,237,775	-	-	-	1,237,775	2,475,551	3,712,551
Capital Leases	1,100,000	-	-	-	1,100,000	1,100,000	-	-	-	1,100,000	2,200,000	3,300,000
Capital Expenditures	-	5,034,000	166,667	166,667	5,367,333	166,667	166,667	166,667	166,667	166,667	833,333	6,200,667
Drugs and Supplies	-	3,500,000	3,000,000	2,500,000	9,000,000	2,750,000	3,000,000	3,500,000	3,250,000	2,500,000	15,000,000	24,000,000
Physician Fees	-	1,423,000	513,000	513,000	2,449,000	513,000	513,000	1,423,000	513,000	513,000	3,475,000	5,924,000
Contract Labor	-	1,250,000	1,200,000	1,150,000	3,600,000	1,300,000	1,250,000	1,100,000	1,200,000	1,150,000	6,000,000	9,600,000
All Other Expenses	-	3,700,000	3,550,000	3,250,000	10,500,000	3,000,000	3,750,000	3,250,000	3,500,000	4,000,000	17,500,000	28,000,000
DOD / Texen Capitation Payments	1,500,000	2,037,052	1,500,000	1,500,000	6,537,052	-	2,037,052	1,500,000	1,500,000	-	5,037,052	11,574,104
Salick Reimbursement	-	2,217,849	-	2,217,849	4,435,698	-	2,217,849	-	2,217,849	-	4,435,698	8,871,395
Professional Fees	-	-	-	-	-	-	-	-	-	1,500,000	1,500,000	1,500,000
Bankruptcy Professional Fees	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	2,000,000
Critical Vendor Payments	-	-	3,300,000	3,300,000	6,600,000	3,300,000	3,300,000	3,300,000	-	-	9,900,000	16,500,000
DIP Commitment Fee	346,296	-	-	-	346,296	-	-	-	-	-	-	346,296
DIP Interest Payments	313,228	-	-	-	313,228	424,790	-	-	-	-	424,790	738,018
Total Cash Disbursements	18,899,427	47,016,619	21,032,569	43,015,003	129,963,619	24,622,881	39,702,055	23,042,570	32,315,003	29,970,345	149,652,853	279,616,472
Net Cash Flow / Borrowing Need	(1,059,427)	(3,320,408)	(332,246)	(8,048,010)	(12,760,090)	(7,213,536)	(5,305,668)	10,600,436	(5,740,788)	(10,529,960)	(18,189,516)	(30,949,606)
Cumulative Net Cash Flow / Borrowing Need	(1,059,427)	(4,379,834)	(4,712,080)	(12,760,090)	(12,760,090)	(19,973,626)	(25,279,295)	(14,678,859)	(20,419,646)	(30,949,606)	(30,949,606)	(30,949,606)

EXHIBIT “C”

SENIOR PERMITTED RECEIVABLES LIENS

(1) The Lien, if any, in the “Gross Receipts” arising prior to the Filing Date and relating to the primary care facility located at 114-39-41 Sutphin Boulevard, Jamaica, New York consisting of approximately 17,000 square feet, which facility is known as “St. Dominic's”, as such Lien is defined and described in that certain Operating Lease Agreement, dated October 1, 1996, between the Primary Care Development Corporation and the Borrower (as the successor corporation to the Catholic Medical Center of Brooklyn and Queens, Inc.).

(2) The Lien, if any, in the “Gross Receipts” arising prior to the Filing Date and relating to the multi-level parking garage facility located at the St. John's Queens Hospital, as such Lien is defined and described in that certain Gross Receipts Security Agreement, dated January 24, 1996, between DASNY and the Borrower (as the successor corporation to the Catholic Medical Center of Brooklyn and Queens, Inc.).

(3) The Lien, if any, of CCC in the CCC Receivables, to the extent that such Liens are subject to the CCC Intercreditor Agreement.

(4) The Lien, if any, of Commerce Bank, N.A. in the Commerce Collateral (as defined in that certain Letter Agreement dated as of September 30, 2003 between SVCMC and Commerce Bank, N.A.).

EXHIBIT “D”

DEPOSITORY AGREEMENTS