

Health Resources and Services Administration
Health Care Facility Loan Guarantee Program

CONDITIONAL COMMITMENT FOR GUARANTEE

Date: _____

Lender	Borrower
Lender's Address	Borrower's Address
Principal Amount of Loan	Health Center
Project Description and Address	Health Center Address

From an examination of information supplied by the Lender on the above proposed loan, including the Lender's commitment letter attached hereto as Exhibit A (the "Commitment Letter"), and other relevant information deemed necessary, it appears that the transaction can be properly completed.

Therefore, the Health Resources and Services Administration (HRSA), an agency of the United States Department of Health and Human Services, an executive branch department of the government of the United States of America, acting through the Bureau of Primary Health Care, a bureau within HRSA, hereby agrees that, in accordance with the applicable provisions of the Loan Guarantee Program established pursuant to Title XVI, Part A of the Public Health Service Act, 42 U.S.C. 300q et seq. (the "PHS Act") and the rules and regulations thereunder promulgated, as may be amended (the "Program"), it will execute the "Loan Note Guarantee," subject to the conditions and requirements of the Program, as specified below and the terms of a "Loan Guarantee Agreement" with the Lender.

The interest rate for the loan is _____%. If the rate is variable, it must be indexed with a rate which cannot change more often than _____¹ and published in a financial publication specifically agreed to between the Lender and the Borrower. The guarantee amount will be eighty percent (80%) of the outstanding principal amount of the loan.

A Loan Guarantee Agreement and Loan Note Guarantee will not be issued until the Lender certifies that there has been no adverse change in the Borrower's or the Health Center's financial condition, nor any other adverse change in the condition of the Borrower or the Health Center during the period of time from issuance of the Conditional Commitment for Guarantee to the date of Lender's certification. The Lender's certification must be supported by financial statements of the Borrower, the Health Center and its guarantors (if any) demonstrating compliance with any financial covenants included in the Commitment Letter and not more than 60 days old at the time of certification. Any adverse change in the condition of the Borrower or the Health Center between the date hereof and closing require written approval by HRSA.

The Borrower hereby certifies that the Health Center is a health center defined in Section 330 of the PHS Act, the proceeds of the loan will be used in accordance with the requirements of the Program, the Borrower has made full and adequate disclosure to HRSA and the Lender as to the Health Center's prior or existing financing arrangements with the Lender and between the Lender and any other party with whom the Health Center has a material contract, and no information or documents provided by the Borrower to HRSA and the Lender in connection with the loan contain any material misstatements of facts or omit to state any material facts necessary to make the statement contained therein not misleading (collectively, the "Borrower's Representations"). The Lender and the Borrower hereby agree to include in the loan documents (i) the Borrower's Representations to HRSA; (ii) the HRSA reporting obligations included in Exhibit B regarding the Borrower; and (iii) an authorization for HRSA to disclose and publicize the Borrower's identity and the amount and purpose of the guarantee contemplated herein.

This Conditional Commitment for Guarantee is null and void unless the conditions are accepted by the Lender and the Borrower within 60 days from the date of issuance by HRSA. Any negotiations for revisions of these conditions must be completed by that time.

The expected use of the loan funds is set out on the application and in the Project Description above. Upon acceptance by the Lender and the Borrower and return to HRSA, no major changes of the conditions or approved loan Project Description as listed in such application and described above will be considered. Additional conditions and requirements include confirmation of the sources and uses of all funds, compliance with all terms and conditions of this Conditional Commitment for Guarantee and the requirements of the Program, closing of the loan in accordance with the loan documents of the Lender, satisfaction of the other conditions of the Commitment Letter, execution of a Loan Guarantee Agreement by the Lender in a form satisfactory to HRSA, and _____².

¹ Insert the interest period prescribed, which cannot reset more often than [monthly][weekly].

² Insert any additional conditions or requirements in this space or on an attachment referred to in this space; otherwise insert "NONE".

This Conditional Commitment for Guarantee will expire on _____³ unless the time is extended in writing by HRSA. The Lender may terminate this Conditional Commitment for Guarantee at any time by written notification to HRSA.

³ HRSA will determine the expiration date of this contract. Consideration will be given to the date indicated by the Lender in the acceptance of conditions.

This Conditional Commitment for Guarantee may not be amended except in writing and signed by the parties hereto, is not transferable and will not survive a change of control, merger, restructuring or insolvency proceeding involving the parties hereto.

UNITED STATES OF AMERICA
The Health Resources and Services Administration

Date: _____

By: _____

(Name)

(Title)

ACCEPTANCE OF CONDITIONS

The conditions of this Conditional Commitment for Guarantee, including attachments, as applicable, are acceptable and the undersigned intend to proceed with the loan transaction and request issuance of a Loan Guarantee Agreement and a Loan Note Guarantee within _____ days.

(Name of Lender)

Date: _____

By: _____

(Signature for Lender)

(Name of Borrower)

Date: _____

By: _____

(Signature for Borrower)

EXHIBIT A

Lender's Commitment Letter

[See attached]

EXHIBIT B

Borrower's Reporting Obligations to HRSA

The Borrower and the Lender shall deliver or cause to be delivered to HRSA and the Lender Coordinator the following:

- Loan status reports within 60 days of the end of each calendar year quarter, indicating loan and payment status and covenant compliance, on the form provided by the Lender Coordinator. Each report must be accompanied by the Borrower's and the Health Center's unaudited quarterly balance sheet, income and expense reports with comparison to budget, Lender's calculations for financial ratio covenants when tested under the Loan Documents and quarterly billable visit volume with comparison to budget;
- Annual audited financial statements within 150 days of fiscal year end;
- Notification of any changes in senior leadership and resumes for new senior leaders;
- As soon as available, and in all events within five (5) Business Days after the Lender receives notice or knowledge thereof or learns facts which would lead a reasonable person to undertake diligent inquiry with respect thereto, a report or statement executed by an executive officer of the Borrower, in reasonable detail and in form acceptable to the Lender, with respect to: (i) the occurrence of any event of default or any act, event or condition which, with notice or the passage of time, or both, would constitute an event of default, and any action taken or contemplated with respect thereto; (ii) the occurrence of any default under any lease, or HRSA grant document; (iii) the existence of any act, event, condition or change in status of any pending or threatened litigation or administrative proceeding or investigation against or affecting the Borrower or any of its property which, if determined adversely, would have a material adverse effect upon the financial condition or operations of the Borrower or prejudice the Lender's rights under the note, the security instrument or any other loan document, and any reserves set aside or to be set aside in connection with any such proceedings in accordance with GAAP; (iv) any act, event or condition that would cause any of the Borrower's Representations to no longer be true and accurate; and (v) any report, citation, notice, demand or other written or oral communication concerning the Health Center to or from any governmental agency or entity empowered to enforce, investigate or oversee compliance with any applicable law, including, without limitation, any environmental laws.