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MASTER PURCHASE AND SALE AGREEMENT

MASTER PURCHASE AND SALE AGREEMENT ("Agreement") dated as of the 4th day of May, 2006, between **Sun Capital HealthCare, Inc.**, located at 929 Clint Moore Road, Boca Raton, Florida 33487 (the "Purchaser") and **NormaTec Industries, LP**, located at 44 Glen Avenue, Newton Center, MA 02459-2066 (the "Provider") relating to the sale, from time to time, of certain third-party payable accounts receivable of the Provider.

1. Accounts to be Offered. On the terms and subject to the conditions set forth in this Agreement, during a period of one (1) year subject to the provisions of Section 11 hereof (the **"Offer Period"**) from the date hereof the Provider shall offer to sell to Purchaser free and clear of all liens, claims, encumbrances, and rights of any other person or entity, certain third party payable accounts receivable selected by the Provider (the **"Accounts"**), owing to the Provider arising out of the delivery of medical, surgical, diagnostic, or other healthcare related goods or services, of which a portion of (or all of) such Accounts are payable by commercial insurance companies, not-for-profit insurance companies (such as Blue Cross and Blue Shield entities) issuing health, personal injury, workers' compensation, or other types of insurance, employers or unions that self-insure for employee or member health insurance, prepaid healthcare organizations, preferred provider organizations, health maintenance organizations or other similar entities, Medicare, Medicaid, governmental bodies or other similar entities, or any third-party intermediary with respect to any of the foregoing (each a **"Third Party Obligor"**), together with all accounts, chattel paper, and general intangibles related thereto, all rights, remedies, guarantees, security interests, and liens in respect of any of the foregoing, all records (other than patient medical records to the extent protected from disclosure by law), and other information necessary or relevant to the collection of the Accounts, and all proceeds of any of the foregoing. Accounts for which the Third Party Obligor is the United States of America or any state or any agency or instrumentality thereof or any state that is obligated to make any payments with respect to Medicare or Medicaid Accounts, or representing amounts owing under any other program established by a federal or state law that provides for payments for healthcare goods or services to be made to the Provider are hereinafter referred to as **"Governmental Accounts"**; all other Accounts are sometimes hereinafter referred to as **"Non-Governmental Accounts."** The Purchaser shall have the right, in its sole discretion for any or for no reason, to purchase, or not purchase, any of the Accounts as are acceptable to it, but shall in any event have a lien and security interest, upon (i) all Accounts owned by and payable to the Provider by any Third Party Obligor and (ii) all Accounts owned by and payable to the Provider by any patients directly (each a **"Patient Obligor"**).

2. Initial Down Payment and Purchase Price.

(a) Upon Purchaser's receipt and acceptance of each Purchase Schedule (Exhibit A), or any portion thereof, Purchaser may advance to the Provider up to eighty percent (80%) of the expected **Net Collectible Amount** (as hereinafter defined) of the Accounts therein described (the **"Initial Down Payment"**), subject to Purchaser's right to maintain a Reserve Account. The Reserve Account shall be an account maintained on Purchaser's books, and Purchaser shall not be obligated to: (i) maintain cash or other funds in such account; or (ii) segregate funds or other amounts held in or credited to the Reserve Account from other funds held by Purchaser. The Provider shall not be entitled to any interest or income on amounts credited to the Reserve Account. All checks received by Purchaser shall be deemed credited to the Reserve Account not less than five (5) days after receipt. The Reserve Account shall mean an amount sufficient to cover, among other things, returns, allowances, deductions, reductions in the unpaid balance of an Account, and disputes and charge backs including any charge back Purchaser anticipates

might arise in the future, as security for the payment of the Provider's obligations to Purchaser. Purchaser may, in its sole and exclusive commercially reasonable discretion, increase or decrease the amount of the Reserve Account as Purchaser may deem necessary to protect Purchaser's interests. Subject to Purchaser's right to withhold funds with respect to the Reserve Account, on each Friday (or if such Friday is a bank holiday in the State of Florida, on the next business day that is not such a bank holiday) of the week in which all Purchased Accounts (as hereinafter defined) set forth on the applicable Purchase Schedule have been collected in good funds (other than as to any Purchased Account not collected as a result of a discharge in bankruptcy or insolvency of the applicable Third Party Obligor), Purchaser will pay to the Provider the amount of the Purchase Price (as hereinafter defined) minus (i) the Initial Down Payment, (ii) the Purchaser's discount fees, (iii) all returns, allowances, deductions, reductions, and discounts calculated upon shortest or longest selling terms, at Purchaser's option, on any alternative terms of sale offered by the Provider to Third Party Obligor, and (iv) all other unpaid sums charged or chargeable to the Provider, which shall include, but not be limited to, all costs and expenses (including attorneys' fees), of any kind and nature, Purchaser may incur including notice, audit, lien searches and title examinations, and including protecting and preserving its interests under or in connection with this Agreement.

(b) Purchaser's discount fee as to each Purchased Account shall be a percentage of the Net Collectible Amount (as hereinafter defined) of each Purchased Account based on the number of days elapsed between the Closing Date (as defined below) relating to such Purchased Account and the date on which Purchaser shall have received collections in an amount equal to the Initial Down Payment for such Purchased Account.

Days Elapsed	**Percentage of Net Collectible Amount**
1-150	.085 % per day
Over 150	15%

(c) The purchase price for each Account (the "**Purchase Price**") shall be a percentage of the Net Collectible Amount as determined by Purchaser and accepted by Provider.

(d) As used herein the term "**Net Collectible Amount**" with respect to an Account means the gross amount billed to the applicable Third Party Obligor, less those anticipated contractual allowances, all discounts taken, available, or extended by the Third Party Obligor, whether taken or not, and credits or deductions of any kind allowed or granted to or taken by the Third Party Obligor, all of which shall be determined in the Purchaser's discretion. The Net Collectible Amount of a Purchased Account is the amount reasonably expected by the Purchaser, in consultation with the Provider, to be collected on such Purchased Account from Third Party Obligors (excluding any amount to be collected from Patient Obligors) and is based on actual collection experience and other relevant factors. Provider shall promptly provide Purchaser with supporting documentation as to Provider's calculation of the Net Collectible Amount of any Account upon Purchaser's request.

(e) As referenced in paragraph 2(a) above, any Initial Down Payment is in Purchaser's sole discretion, in accordance with the terms of this Agreement, and all Initial Down Payments are subject to: (1) Accounts that are in dispute; and (2) any fees, actual or estimated, that are chargeable to the Reserve Account.

3. Procedures for Offers, Purchases and Payments. During the Offer Period, the Provider shall offer its Accounts to the Purchaser at the Purchase Price by sending Purchaser (a) a Purchase Schedule (in the form of Exhibit A hereto) signed by the Provider (an "**Offer Notice**") with respect to each Account then being offered and (b) any other information or documentation, including all required Uniform Commercial Code (the "**UCC**") releases or financing statements the Purchaser may need in order to identify the Accounts purchased from the Provider and obtain payment from the respective Third Party Obligors thereon, and by simultaneously therewith sending to the servicer, currently **None** including its successors and assigns and any substitute servicers appointed by Purchaser (the "**Servicer**") of Accounts purchased by the Purchaser, a complete set of claim documentation, all in the form submitted to the Third Party Obligor, for each Account offered for sale to the Purchaser, together with copies of invoices, which may include, but are not limited to, Form UB-82/92, HCFA 1500, transmission reports, electronic media such as on-line access or such other forms approved by Purchaser or any Third Party Obligor, all shipping or delivery receipts, eligibility cards, insurance verification forms, nurses' notes, treatment authorization requests, and such other proof of sale and delivery or performance as Purchaser may, at any time or from time to time, require. Within forty-eight (48) hours following its receipt of an Offer Notice (or, if the day on which the forty-eighth (48th) hour occurs is a Saturday, Sunday, or a bank holiday in the State of Florida, upon the next succeeding business day that is not such a bank holiday), the Purchaser will advise the Provider which if any of such Accounts it will purchase by delivering to the Provider a list of the Accounts it desires to purchase (the "**Purchased Accounts**"). All such Purchased Accounts shall be sold to the Purchaser, and title to such Purchased Accounts shall pass to Purchaser on the day on which the Purchaser sends such list to the Provider (each such date of title transfer being hereinafter referred to as the "**Closing Date**"). Notwithstanding the foregoing, any Offer Notice received by the Purchaser after 5:00 p.m. Eastern Time on any day (and any Offer Notice received by the Purchaser on a day that is a Saturday, Sunday, or a day that is a bank holiday in the State of Florida), will be deemed to have been received by the Purchaser on the next day that is not a Saturday, Sunday or bank holiday in the State of Florida.

Purchaser shall pay to the Provider the Initial Down Payment for the applicable Purchased Accounts on the Closing Date. At Purchaser's option, Purchaser may pay some or all of such payment for a Purchased Account (or some or all of any other amounts payable by Purchaser to the Provider) by netting against amounts otherwise payable to Purchaser by the Provider. Except with respect to Purchased Accounts that are Governmental Accounts, all invoices or other statements to Third Party Obligors concerning Accounts shall clearly state, in language satisfactory to Purchaser, that each such Account has been sold and assigned to Purchaser and is payable to Purchaser and to Purchaser only. Copies of such invoices and statements shall also bear such language.

3.1 Effect of Purchase. Upon each Weekly Closing Date, all of the Provider's right, title, and interest in and to all Accounts listed in the applicable list of Purchased Accounts and in any proceeds of such Accounts shall automatically vest in the Purchaser, which shall

thereby be and become the sole and absolute owner of all such Purchased Accounts and all of the Provider's rights and remedies with regard to such Purchased Accounts (including, without limitation, rights to payment from the respective Third Party Obligors on such Accounts) and all of the Provider's rights under all guarantees, assignments and securities, if any, with respect to each such Purchased Account. Subject to the terms of this Agreement, Provider will retain (i) the right to receipt of payment on Purchased Accounts that are Governmental Accounts and (ii) all rights to demand or otherwise make any claim upon applicable Governmental Third Party Obligors. Notwithstanding the foregoing, to the extent not prohibited by applicable law, Purchaser shall be entitled from time to time to obtain and enforce orders and injunctions from one or more courts directing one or more Third Party Obligors (including without limitation Medicare and Medicaid programs) to make payments on Purchased Accounts directly to Purchaser and its designee.

3.2 Liabilities Not Assumed by the Purchaser. The Provider hereby represents, warrants, covenants and agrees that the Purchaser shall not be deemed by anything contained in this Agreement to have assumed any liabilities whatsoever relating to, or arising out of, any Account, including, without limitation, the following:

(a) any liability of the Provider to any person or entity, the existence of which constitutes a breach of any representation, warranty, covenant or agreement of the Provider contained in this Agreement;

(b) any liability of the Provider for any federal, state, municipal, local or foreign taxes, assessments, additions to tax, interest, penalties, deficiencies, duties, fees, or any other governmental charges or impositions of each and every kind or description, whether measured by properties, assets, wages, payroll, purchases, value added, payments, sales, use, business, capital stock, surplus, or income with respect to ownership of any of the Purchased Accounts or with respect to the sale of any Purchased Accounts;

(c) any liability or obligation (contingent or otherwise) of the Provider to any person or entity arising out of any litigation, claim, arbitration, or other proceeding;

(d) any liability or obligation of any kind whatsoever relating to any action or inaction by any person or entity, including, without limitation, any of the Provider's officers, directors, shareholders, employees, agents, representatives, or independent contractors relating in any way to the services rendered by any of them, including without limitation by similarity or otherwise, any liability or obligation for claims of medical or other malpractice in connection with any of the Accounts or the servicing of any of the Accounts in the case of such servicing;

(e) any liability or obligation (contingent or otherwise) of the Provider arising out of defects in or mislabeling of, or damages to persons or entities or property arising out of defects or mislabeling of products (including, without limitation, prescription medications) manufactured, sold, or prescribed by the Provider in connection with any of the Accounts;

(f) any liability or obligation of the Provider to compensate any person or entity, including, without limitation, any agent, licenser, supplier, distributor, or customer of the

Provider, in respect of any services rendered or products manufactured, sold, or prescribed in connection with the Accounts;

(g) any recapture, set-off, recoupment, or other claim made by any Third Party Obligor against any of the Accounts;

(h) any liability of the Provider for any overpayments including (without limitation) any penalties imposed or sought to be imposed by any Third Party Obligor, including, but not limited to, Medicare or Medicaid programs; and

(i) any liability of the Provider arising out of any activities that are prohibited under federal Medicare and Medicaid statutes, federal CHAMPUS statutes, or the regulations promulgated pursuant to such statutes or any other federal or state or local statutes or regulations or that are prohibited by rules of professional conduct, including but not limited to: (i) knowingly and willfully making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment; (ii) knowingly and willfully making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment; (iii) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment; (iv) knowingly and willfully soliciting or receiving any remuneration (including without limitation any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, or offering to pay such remuneration: (A) in return for referring an individual to a person or entity for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare, Medicaid, or any federal healthcare program or other governmental healthcare program, or (B) in return for purchasing, leasing, or ordering or arranging for or recommending the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part by Medicare, Medicaid, or any federal healthcare program or other governmental healthcare program; or (v) making prohibited referrals. For purposes hereof, a **"federal healthcare program"** shall mean any plan or program that provides health benefits, whether directly, through insurance, or otherwise, that is funded, in whole or in part by the United States Government.

3.3 Further Information. From time to time on and after any Closing Date, the Provider shall immediately provide the Purchaser or the Servicer, if any, as the case may be, with any and all additional information that the Purchaser or the Servicer, if any, may request in order to assure that the Purchaser can exercise any and all rights of the Provider to collect, record, track, and take all actions to obtain collections with respect to each Purchased Account.

3.4 Further Assurances. From time to time on and after each Closing Date, the Provider (a) shall immediately execute and deliver to the Purchaser or, if requested, the Servicer, if any, such instruments of sale, transfer, conveyance, assignment, and delivery, consents, assurances, powers of attorney, and other instruments as may be requested by the Purchaser or the Servicer, if any, in order to evidence the fact that the Purchaser has purchased all right, title, and interest of the Provider in and to the Purchased Accounts, and (b) shall take such other actions as the Purchaser or the Servicer may reasonably request in order to carry out the purpose and intent of this Agreement.

3.5 Applicability of Representations and Warranties. Every representation, warranty, covenant, and agreement of the Provider in this Agreement shall also apply to every Purchased Account irrespective of when purchased, and shall survive the closing of the purchase and sale of each Purchased Account.

4. Lockbox Agreement; Collection of Purchased Accounts.

4.1 Lockbox Agreement. Simultaneously herewith, the Purchaser, the Provider, and Sun Trust Bank (the "**Lockbox Bank**") shall enter into a Wholesale Lockbox Deposit and Blocked Account Service Agreement (the "**Lockbox Agreement**") substantially in the form and to the effect of Exhibit B hereto. Pursuant to the terms and conditions of the Lockbox Agreement, the Lockbox Bank, as agent for the Purchaser and the Provider, shall rent two separate post office boxes to receive checks, drafts, money orders, or any other negotiable instrument or order for the payment of money (and the proceeds thereof) payable to the Provider or the Purchaser as the case may be (collectively "**Items**") from (i) Non-Governmental Third Party Obligors (the "**Purchaser Lockbox**") and (ii) Governmental Third Party Obligors (the "**Provider Lockbox**"; the Purchaser Lockbox and the Provider Lockbox being referred to collectively as "**Lockboxes**"). The Lockbox Bank shall deposit all Items received (i) in the case of the Purchaser Lockbox to a dedicated bank account for all Non-Governmental Accounts (the "**Purchaser Lockbox Bank Account**"), and (ii) in the case of the Provider Lockbox to a dedicated bank account for all Governmental Accounts (the "**Provider Lockbox Bank Account**"; the Purchaser Lockbox Bank Account and the Provider Lockbox Bank Account being referred to collectively as the "**Lockbox Bank Accounts**").

4.2 Payment Mechanics of Non-Governmental Accounts. (a) The Provider shall take all necessary and appropriate steps, including the sending of a notice to Third Party Obligors of Non-Governmental Accounts ("**Non-Governmental Third Party Obligors**"), in the form of Exhibit C hereto or in such other form as Purchaser may at any time or from time to time provide for such purpose, to assure that all proceeds paid with respect to all Non-Governmental Accounts, together with all related Explanations of Benefits ("**EOBs**"), be sent exclusively to the Purchaser Lockbox and that all wire transfers or other electronic payments of proceeds with respect to Non-Governmental Accounts be made directly into the Purchaser Lockbox Bank Account. The Lockbox Agreement provides that the Lockbox Bank shall transfer automatically on each business day all amounts then on deposit in the Purchaser Lockbox Bank Account to a separate collection account at the Lockbox Bank in the name of Purchaser (the "**Purchaser Collection Account**").

(b) The Provider hereby covenants and agrees that, on and after the date hereof all invoices to be sent to Non-Governmental Third Party Obligors (and return envelopes, which shall, in each instance, be furnished by the Provider) shall set forth only the address of the Purchaser Lockbox as a return address for payment of Non-Governmental Accounts and delivery of related EOBs and only the Purchaser Lockbox Bank Account as a receiving account with respect to wire transfers and other electronic transfers for payment of Non-Governmental Accounts. The Provider hereby further covenants and agrees to instruct and notify each of the members of the Provider's accounting and collections staff to provide identical information in communications with all Non-Governmental Third Party Obligors with respect to Non-Governmental Accounts and related collections, wire transfers and EOBs.

4.3 Payment Mechanics of Governmental Accounts.

(a) The Provider shall irrevocably instruct the Lockbox Bank to: (i) transfer and deposit automatically on the close of business on each business day all checks and other Items received in the Provider Lockbox into the Provider Lockbox Bank Account; and (ii) transfer automatically on each business day all amounts then on deposit in the Provider Lockbox Bank Account to the Purchaser Collection Account. The Provider shall have no right, title, or interest in any Purchaser Collection Account. Provider agrees to provide Purchaser with at least twenty-one days prior written notice of any change of automatic transfer instructions set forth in this Section 4.3(a). Provider shall not change or cancel such automatic transfer orders at any time, or, without the prior written consent of the Purchaser, change the identity of the Provider Lockbox Account or the Provider Lockbox Bank Account or the instructions, if any, to any Third Party Obligor of a Purchased Account to make its payments to such Provider Lockbox or Provider Lockbox Bank Account.

(b) The Provider shall take all necessary and appropriate steps, including without limitation the sending of a notice to all Third Party Obligors of Governmental Accounts (**"Governmental Third Party Obligors"**), in the form of Exhibit D hereto or in such other form as Purchaser may at any time or from time to time provide for such purpose, to assure that all proceeds paid with respect to all Governmental Accounts, together with all related EOBs, be sent exclusively to the Provider Lockbox and that all wire transfers or other electronic transfers of proceeds with respect to Governmental Accounts be made directly into the Provider Lockbox Bank Account. All wire transfers will be credited on the date received in the Purchaser Collection Account and all checks, drafts, money orders or any other negotiable instruments shall be credited within five business days after received into the Purchaser Collection Account.

(c) The Provider hereby covenants and agrees that on and after the date hereof, all invoices to be sent to Governmental Third Party Obligors or their respective fiscal intermediaries (and return envelopes, which shall, in each instance, be furnished by the Provider) shall set forth only the address of the Provider Lockbox as a return address for payment of Governmental Accounts and delivery of related EOBs and only the Provider Lockbox Bank Account as a receiving account with respect to wire transfers and other electronic transfers for payment of Governmental Accounts. The Provider hereby further covenants and agrees to instruct and notify each of the members of the Provider's accounting and collections staff to provide identical information in communications with all Governmental Third Party Obligors and their respective fiscal intermediaries with respect to Governmental Accounts and related collections, wire transfers and other electronic transfers and EOBs.

(d) The Provider shall maintain the Provider Lockbox Bank Account solely and exclusively for the receipt of payments from Governmental Third Party Obligors. The Provider shall take all actions necessary to ensure that no payments from any Non-Governmental Third Party Obligor or any other entity or person shall be deposited into, and that no withdrawals, other than in accordance with the Lockbox Agreement, shall be made from, the Provider Lockbox or the Provider Lockbox Bank Account. The Provider shall not have any other account (other than the Provider Lockbox Bank Account) or post office box (other than the Provider

Lockbox) into which proceeds from any Account payable by a Governmental Third Party Obligor purchased by Purchaser shall be deposited.

4.4 Information Relating to Collections on Accounts; Payment of Deferred Purchase Price and Non-Purchased Account Amount. (a) On or about each Wednesday and Friday, Purchaser shall cause the Lockbox Bank to deliver, by Federal Express or other recognized overnight courier, to each of the Provider, the Purchaser, and the Servicer, with respect to the period since the close of business on the most recent day covered by a previous delivery: (i) copies of (A) each Item, EOB and other documents or other communication received in the Purchaser Lockbox and (B) advices of each wire transfer or other electronic transfer received in the Purchaser Lockbox Bank Account; and (ii) copies of (A) each Item, EOB and other document or other communication received in the Provider Lockbox, and (B) advices of each wire transfer or other electronic transfer received in the Provider Lockbox Bank Account. The Provider shall cause the Lockbox Bank to include any corrections or adjustments in respect of any such delivery promptly after discovery of the need therefor.

(b) Not more frequently than once each week, the Provider shall send by facsimile transmission to the Servicer and the Purchaser a report in form and substance satisfactory to the Purchaser, signed by an authorized representative of the Provider (an "**Activity Payment Report**"), which shall set forth all Items received in the Lockbox Bank Accounts during the period covered by such report.

(c) Unless Provider is in default under the terms of this Agreement, promptly, but not later than the fifth business day after the Purchaser shall have received any Activity Payment Report (or amended Activity Payment Report), the Purchaser shall transfer the Deferred Purchase Price (less any amounts owed to Purchaser by Provider), and the Non-Purchased Account Amount (less any amounts owed to Purchaser by Provider), as each is reflected on such Activity Payment Report or amended Activity Payment Report to a business checking account established by the Provider with Boston Private Bank and specified in writing by Provider to Purchaser at least ten days prior to any such transfer (the "**Provider Operating Account**"). The Purchaser shall use its reasonable efforts to transfer such Deferred Purchase Price and Non-Purchased Account Amount, if any, to the Provider Account prior to the Weekly Closing Date following the date that is three business days after receipt of any Activity Payment Report.

"Deferred Purchase Price," with respect to a Purchased Account, means the excess, if any, of (i) the aggregate amount of collections on such Purchased Account received by Purchaser in excess of (ii) the sum of (x) the Target Amount of such Purchased Account plus (y) the amount of such collections applied by Purchaser to pay amounts owed by Provider to Purchaser pursuant to this Agreement, to pay amounts owed by Purchaser or Provider to the Lockbox Bank pursuant to the Lockbox Agreement, or to reimburse Purchaser for amounts paid by Purchaser (directly or indirectly, including without limitation by a debit to a bank account) to the Lockbox Bank pursuant to the Lockbox Agreement.

"**Non-Purchased Account Amount,**" with respect to any Account other than a Purchased Account, means the excess, if any, of (i) the aggregate amount of collections on such account received by the Purchaser over (ii) the amount of such collections applied by Purchaser to pay

amounts owed by Provider to Purchaser pursuant to this Agreement, to pay amounts owed by Purchaser or Provider to the Lockbox Bank pursuant to the Lockbox Agreement, or to reimburse Purchaser for amounts paid by Purchaser (directly or indirectly, including without limitation by a debit to a bank account) to the Lockbox Bank pursuant to the Lockbox Agreement.

"Target Amount" means, with respect to a Purchased Account, the sum of (a) the Initial Down Payment for such Purchased Account plus (b) the amount of Purchaser's discount fees accrued with respect to such Purchased Account through the date on which Purchaser has received collections on such Purchased Account in an amount at least equal to the Initial Down Payment for such Purchased Account.

(d) The amounts of all Deferred Purchase Prices and Non-Purchase Account Amounts transferred to the Provider Operating Account as described above are subject to collection.

5. Misdirected Payments; EOBs. Any payment with respect to an Account payable by an obligor of any Purchased Account, whether in the form of check or other instrument, cash or wire transfer, received by the Provider but that, pursuant to Section 4 hereof, should have been sent to either the Purchaser Lockbox or the Purchaser Lockbox Bank Account or the Provider Lockbox or the Provider Lockbox Bank Account shall be deemed a **"Misdirected Payment."** In the case of any Misdirected Payment, the Provider, at its sole cost and expense, shall promptly take all necessary steps described in paragraphs (a) through (d) of this Section 5 and, pending the delivery of any such payments as so provided, shall: (i) hold all such payments in trust for the Purchaser and (ii) segregate all such payments and not deposit the same in the account of any other person or entity other than as provided below nor commingle the same with the funds of the Provider or the funds of any other person or entity.

(a) In the event that the Provider receives a Misdirected Payment from a Third Party Obligor in the form of a check or other instrument, the Provider shall, as applicable, either: (i) in the case of Non-Governmental Accounts, immediately send by first class mail to the Purchaser Lockbox such check or other instrument, duly endorsed over to the Purchaser, together with the related EOB and the envelope in which such payment was received; or (ii) in the case of Governmental Accounts, immediately send by first class mail to the Provider Lockbox such check or other instrument, together with the related EOB and the envelope in which such payment was received. In the event that the Provider receives a Misdirected Payment in the form of cash or wire transfer or other electronic transfer, the Provider shall immediately wire transfer the full amount of the Misdirected Payment directly into the Purchaser Lockbox Bank Account and shall simultaneously therewith send all related EOBs to the Purchaser Lockbox. All Misdirected Payments and EOBs shall be so mailed or wire transferred not later than the Provider's close of business on the first business day following its receipt of such Misdirected Payment or EOB.

(b) If the Provider does not deposit or wire transfer a Misdirected Payment into the applicable Lockbox or the applicable Lockbox Bank Account, as applicable, in accordance with paragraph (a) above, then the Provider shall pay interest on such Misdirected Payment to the Purchaser, from such date until and including the date such Misdirected Payment is received in such Lockbox or Lockbox Bank Account, as the case may be, at a rate equal to eighteen percent (18%) per annum or the maximum rate legally permitted if less than such rate

(the "**Additional Charge**"). Such interest shall be payable on demand or, at the option of the Purchaser, in accordance with paragraph (c) below. For purposes of the foregoing, if a Misdirected Payment is in the form of a check or other instrument, the Provider shall be deemed to have received such Misdirected Payment on the date that is five (5) days after the postmark date on the envelope from the Third Party Obligor enclosing such check or instrument (or, if no such envelope is deposited in the applicable Lockbox, on the date that is five (5) days after the date of such check or other instrument).

(c) The Purchaser shall have the right, without notice, to set-off or recoup the full amount of all Misdirected Payments (plus interest thereon accrued or accruing in accordance with paragraph (b) above) against any amounts payable from time to time to the Provider pursuant to this Agreement.

(d) The Provider hereby agrees and consents that the Purchaser or Servicer, as the case may be, shall have the right to take such actions as are deemed by either of them to be necessary or appropriate to ensure that future payments from the Third Party Obligor of a Misdirected Payment shall be made in accordance with the notice previously delivered to such Third Party Obligor pursuant to paragraph 4.2 or 4.3 of this Agreement, including, without limitation by: (i) the Purchaser or Servicer executing on the Provider's behalf and delivering to such Third Party Obligor a new notice and (ii) the Purchaser or the Servicer contacting such Third Party Obligor by telephone to confirm the instructions previously set forth in the notice to such Third Party Obligor. Upon request, the Provider shall promptly (and, in any event, within one (1) business day from such request) take such actions as the Purchaser or Servicer may request.

6. **Ineligible Accounts.** A Purchased Account shall be an "**Ineligible Account**" if one of the following has occurred: (i) there has been a breach of any representation or warranty contained herein relating to such Purchased Account; (ii) Purchaser has not received collections with respect to such Purchased Account in an amount at least equal to the Target Amount for such Purchased Account within one hundred fifty (150) days from the date which is the earlier of the date of submission by Provider of a claim for payment by a Third Party Obligor ("Invoice Date") or the date Provider receives all documents necessary in order to issue an invoice to a Third Party Obligor relating to such Purchased Account (other than as a result of the bankruptcy or insolvency or receivership of the applicable Third Party Obligor), or (iii) Purchaser reasonably has determined prior to the end of such 120 day period (other than a result of the bankruptcy or insolvency or receivership, or anticipated bankruptcy or insolvency or receivership, of the applicable Third Party Obligor) that such Third Party Obligor will not pay, by the end of such one hundred fifty (150) day period, an amount on such Purchased Account equal to not less than the Target Amount for such Purchased Account. The Provider shall cure such breach or repurchase each such Ineligible Account from the Purchaser at a price equal to the Repurchase Price within five (5) business days of the earlier of notification to, or discovery by, the Provider or Purchaser of the breach or failure of Purchaser to receive payment of the Target Amount as described above. The "**Repurchase Price**" for an Ineligible Account (a "**Repurchased Account**") shall be equal to (i) the sum of the Initial Down Payment for such Account plus the amount of Purchaser's discount fees for such Account accrued through the date of Provider's repurchase of such Account, less (ii) any amount collected by the Purchaser with respect to such Ineligible Account. The Repurchase Price shall be payable by check or wire transfer, at the option of the Purchaser. Upon receipt by the Purchaser of the Repurchase Price,

the Provider shall be deemed to have repurchased, and the Purchaser shall be deemed to have resold to the Provider, the Ineligible Account without any representation, warranty, or recourse whatsoever and, thereupon, the Purchaser shall have no obligation whatsoever to the Provider with respect to such Repurchased Account and such Account shall cease to be a Purchased Account. Notwithstanding any other provision of this Agreement to the contrary, and in addition to all other rights and remedies available to Purchaser under this Agreement or at law or in equity, the Purchaser may offset against or recoup from any amounts it may owe to the Provider any and all amounts due to the Purchaser with respect to Repurchased Accounts. If, after receipt of any payment of all or any part of the Repurchase Price for any Repurchased Account, the Purchaser is required to surrender such payment to any person or entity because such payment is determined to be void or voidable as a preference, impermissible set-off, diversion of trust funds, or for any other reason, this Agreement shall continue in full force (except, at the Purchaser 's option, with respect to any obligation it may be deemed to have to purchase any additional Accounts from the Provider) and the Provider shall be liable to the Purchaser for, and shall indemnify and hold the Purchaser harmless against, the aggregate amounts of all such surrendered payments, any damages to the Purchaser resulting therefrom and any legal fees and other costs or expenses incurred by or on behalf of the Purchaser in enforcing its rights hereunder or with respect thereto.

7. Representations and Warranties of the Provider. The Provider represents and warrants to the Purchaser, each of which representation and warranty shall be deemed material and relied upon by the Purchaser, as follows:

(a) With respect to the Provider, as of the date hereof and as of the date of each purchase of Accounts:

(i) If a corporation or a partnership or a limited liability company, the Provider is duly organized, validly existing, and in good standing as such under the laws of the jurisdiction of its organization; is qualified to do business and is in good standing under the laws of each state where the failure to so qualify would have a material adverse effect on the business and operations of the Provider; and has all the power and authority necessary to: (A) operate its business as it is now being conducted, including the sale of Accounts; (B) execute, deliver, and perform this Agreement, including all obligations contemplated hereby; (C) execute and deliver and perform its obligations under all other documents now or hereafter executed in connection herewith (all such documents to be included within the definition of Agreement); and (D) convey good and marketable title and ownership of the Purchased Accounts to the Purchaser. The execution, delivery, and performance by the Provider of this Agreement have been duly authorized by all appropriate action on behalf of the Provider. If a sole proprietorship, the Provider has the necessary power and capacity under applicable law to operate its business as it is now being conducted and to execute, deliver, and perform all its obligations as provided for in this Agreement.

(ii) This Agreement is the legal, valid, and binding obligation of the Provider, enforceable against the Provider in accordance with its terms. Upon the filing of financing statements setting forth the collateral described on **Exhibit E** hereto in all appropriate jurisdictions, any security interest in favor of the Purchaser granted pursuant to this Agreement will be a fully enforceable first priority security interest validly perfected whether or not the Third Party Obligors have been notified of the sale of Accounts to the Purchaser.

(iii) The execution, delivery, and performance of this Agreement does not and will not violate any provision of law, regulation, or any order or decree of any court or governmental agency, or violate any provision of the Provider's organizational documents (if a corporation or partnership or limited liability company) or any agreement to which the Provider is a party or by which it or any of its assets are bound, and does not and will not, with the giving of notice, the passage of time, or otherwise, conflict with, result in a breach of, or constitute a default under, any such agreement or result in the creation of any lien or security interest upon any of the Provider's assets, except in favor of the Purchaser.

(iv) The Provider has all permits, licenses, provider numbers, accreditations, certifications, authorizations, approvals, consents, and agreements of all Third Party Obligors, governmental agencies, and instrumentalities, accreditation agencies and any other person or entity necessary or required for the Provider to own the assets that it now owns, to carry on its business as now conducted, to execute, deliver, and perform this Agreement, including any other documents contemplated hereby, and to receive payments from the Third Party Obligors; and the Provider has not been notified by any such Third Party Obligor, governmental agency or instrumentality, accreditation agency or any other person or entity that any such Third Party Obligor, agency, instrumentality or other person or entity has rescinded or not renewed, or intends to rescind or not renew, any such permit, license, provider number, accreditation, certification, authorization, approval, consent, or agreement granted by it to the Provider or to which it and the Provider are parties.

(v) There are no actions, suits, proceedings or investigations pending or threatened against the Provider before any court, governmental agency, or other tribunal that could materially and adversely affect its ability to perform under this Agreement, and the Provider is not currently subject to, and has no intention of commencing, any bankruptcy or insolvency proceeding. The Provider is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Provider does not have any intent to hinder, delay, or defraud any of its creditors in connection with the transactions contemplated by this Agreement.

(vi) Neither the Provider nor any persons who provide professional services under agreements with the Provider have engaged in any activities that are prohibited under federal Medicare and Medicaid statutes, federal CHAMPUS statutes, or regulations promulgated pursuant to such statutes or any other federal or state or local statutes or regulations or that are prohibited by rules of professional conduct, including but not limited to: (A) knowingly and willfully making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment; (B) knowingly and willfully making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment; (C) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its own behalf or on behalf of another; (D) knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, or offering to pay such remuneration: (xx) in return for referring an individual to a person or entity for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare, Medicaid, or any federal healthcare program or other governmental healthcare program or (yy) in return for

purchasing, leasing, or ordering or arranging for or recommending the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part by Medicare, Medicaid or any federal healthcare program or other governmental healthcare program, or (zz) in connection with making prohibited referrals.

(vii) The Provider has valid business reasons for selling the Purchased Accounts rather than obtaining a loan with the Accounts as collateral.

(b) With respect to each Account, as of the date such Account is purchased and continuing thereafter so long as the Provider shall have any obligations remaining hereunder:

(i) All documents and agreements relating to each Purchased Account that are necessary to collect such Purchased Account have been delivered to the Purchaser and all such documents and agreements are true, correct, and complete; the Provider has billed the applicable Third Party Obligor and the Provider has delivered or caused to be delivered to such Third Party Obligor all requested supporting claim documents with respect to such Purchased Account; all information set forth in the bill and supporting claim documents is true, correct, and complete, and, if any error has been made, the Provider will promptly correct the same and, if necessary, rebill or, if requested by the Purchaser or Servicer, cooperate to rebill such Purchased Account.

(ii) Each Account is exclusively owned by the Provider (immediately prior to the sale of such Account to Purchaser pursuant to this Agreement) and there is no security interest or lien in favor of any third party, and no recording or filing against the Provider, as debtor, covering or purporting to cover, any interest of any kind in any Account, except (x) as has been released by each party holding such interest or lien in the Account and (y) in favor of Purchaser. Upon the Weekly Closing Date with respect to a Purchased Account all right, title and interest of the Provider with respect thereto automatically shall be vested in the Purchaser, free and clear of any lien, security interest, claim or encumbrance of any kind, and the Provider agrees, at its sole cost and expense, to defend the same against the claims of all persons and entities.

(iii) Each Purchased Account: (A) is payable, in an amount not less than and in a manner consistent with the assumptions underlying the determination of its expected Net Collectible Amount, by the Third Party Obligor identified by the Provider as being obligated to do so; (B) is based on an actual and bona fide rendition of services or sale of goods to the patient by the Provider in the ordinary course of its business; (C) is denominated and payable only in lawful currency of the United States; (D) is an account or general intangible within the meaning of the UCC of the state in which the Provider has its principal place of business or is a right to payment under a policy of insurance or the proceeds thereof, and is not evidenced by any instrument; and (E) will be paid by the Third Party Obligor in an amount at least equal to the Net Collectible Amount within one hundred fifty (150) days after the earlier of the invoice date or the date Provider receives all documents necessary in order to issue an invoice to an Obligor, unless such Obligor, at such one hundred fiftieth (150^{th}) day, is the subject of bankruptcy, insolvency, or receivership proceedings. There is no payor other than the Third Party Obligor identified by the Provider as the payor primarily liable on any Purchased Account.

(iv) Each Purchased Account is not subject to any action, suit, proceeding or dispute (pending or threatened), set-off, recoupment, counterclaim, defense, abatement, suspension, deferment, deductible, reduction or termination or the like by any Third Party Obligor. The Weekly Closing Date relating to a Purchased Account is not later than 60 days after the date which is the earlier of the invoice date or the date Provider receives all documents necessary in order to issue an invoice to an Obligor giving rise to such Account.

(v) The Provider does not have any guaranty of, letter of credit providing credit support for, or collateral security for, any Purchased Account, other than any such guaranty, letter of credit, or collateral security that has been assigned and delivered to the Purchaser, and any such guaranty, letter of credit, or collateral security is not subject to any lien in favor of any other person or entity.

(vi) The goods provided or services rendered giving rise to each Purchased Account were furnished by Provider in the ordinary course of its business and were medically necessary for the patient; the fees charged for such goods or services were the usual, customary, and reasonable fees charged by other providers in the Provider's community and the community in which such patient resides for the same or similar goods and services; the fees for goods and services relating to the Purchased Accounts that are subject to limitations imposed by workers' compensation regulations or by contracts for reimbursement from Third Party Obligors do not exceed the limitations so imposed and each Purchased Account relating to goods and services the fees for which are so restricted has been clearly identified by the Provider to Purchaser as being subject to such restriction; the patient received such goods or services and the medical insurance coverage or other coverage by the responsible Third Party Obligor with respect thereto was effective at the time of treatment. Each patient signed a patient consent form in connection with all Purchased Accounts and such consent form is sufficient to allow the Provider to deliver to the Purchaser and Servicer, if any, with respect to each such Purchased Account, and for the Provider, the Purchaser, and the Servicer, if any, to deliver to the Third Party Obligor with respect to each such Purchased Account, information or documents necessary for the performance of servicing obligations with respect to such Purchased Accounts without violating any patients' privacy rights.

(vii) The expected payment by the applicable Third Party Obligor for the goods or services constituting the basis for each Purchased Account is consistent with the usual, customary, and reasonable fees charged by other similar medical service providers in the Provider's community for the same or similar services.

(viii) The Third Party Obligor with respect to each Purchased Account is: (A) not, as of the date such Account is purchased, the subject of any bankruptcy, insolvency, or receivership proceeding, nor, as of the date such Account is purchased, is it generally unable to make payments on its obligations when due; (B) located in the United States; and (C) one of the following: (i) an entity that in the ordinary course of its business or activities agrees to pay for healthcare services received by individuals, including, without limitation, commercial insurance companies and not-for-profit insurance companies (such as Blue Cross and Blue Shield entities) issuing health, personal injury, workers' compensation, or other types of insurance, employers or unions that self-insure for employee or member health insurance, prepaid healthcare organizations, preferred provider organizations, health maintenance organizations or any other

similar entity; or (ii) Medicare, Medicaid, governmental bodies, or another Third Party Obligor of the type described in the definition of Governmental Accounts.

(ix) The proceeds of the sale of the Purchased Accounts will be used for the business and commercial purposes of the Provider. The sale of the Purchased Accounts pursuant to this Agreement is made in good faith and without actual intent to hinder, delay, or defraud present or future creditors of the Provider. The Purchase Price for the Purchased Accounts is reasonably equivalent to the value of such Purchased Accounts.

(x) The insurance policy, contract, or other instrument obligating a Third Party Obligor to make payment with respect to any Purchased Account: (A) does not contain any provision prohibiting the transfer of the right to receive such payment from the patient to the Provider, or from the Provider to the Purchaser; (B) has been duly authorized and, together with the Purchased Account, constitutes the legal, valid, and binding obligation of the Third Party Obligor enforceable against such Third Party Obligor in accordance with its terms; (C) together with the Purchased Account, does not contravene in any material respect any requirement of law applicable thereto; and (D) was in full force and effect and applicable to the patient at the time the goods or services constituting the basis for the Purchased Account were furnished.

(xi) The representations, warranties and statements made by the Provider in this Agreement and any other documents delivered pursuant hereto, any financial information with respect to the Provider delivered to the Purchaser and any other related documents, including, without limitation, any description of any Purchased Account, are and shall remain true, correct, and complete and do not and will not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made therein not misleading.

(xii) The Provider has complied with all of its covenants and agreements in this Agreement with respect to each Account.

8. Covenants of Provider. The Provider covenants and agrees with the Purchaser as follows:

(a) The Provider shall authorize the filing of such financing statements under the UCC (naming the Purchaser as Purchaser and secured party) as the Purchaser may reasonably request with respect to all Accounts, whether or not purchased pursuant to this Agreement. From time to time, upon request of the Servicer, if any, or Provider, the Provider shall provide the Purchaser with any additional information, shall authorize or execute and deliver to the Purchaser any additional agreements, instruments, notices to Third Party Obligors, documents, or financing statements and shall take all actions deemed by the Purchaser as necessary or desirable to effectuate the provisions of this Agreement and any documents delivered pursuant hereto, to evidence, protect, and perfect the assignment of the title to the Purchased Accounts and the grant of a security interest in and lien on the Accounts and to facilitate the collection of the Purchased Accounts. Notwithstanding the foregoing, Purchaser shall have the right to file financing statements it deems necessary such right being hereby authorized. Unless otherwise requested by the Purchaser, the Uniform Commercial Code ("**UCC**") financing statement property description in the UCC financing statement filed by the Purchaser against the Provider shall be in the form of **Exhibit E**. At the option of the Purchaser,

at any time and from time to time; the Provider shall furnish to the Purchaser claim documents relating to Accounts that are not Purchased Accounts.

(b) The Purchaser and its agents and representatives are hereby irrevocably constituted and designated as the Provider's attorneys-in-fact, which irrevocable power of attorney is coupled with an interest: (i) to endorse or sign the Provider's name to remittances, invoices, assignments, checks (other than in payment of Governmental Accounts, unless the Purchaser has obtained an appropriate court order or decree), drafts or other instruments or documents in respect of the Purchased Accounts; (ii) to notify Third Party Obligors (other than Governmental Third Party Obligors, unless the Purchaser has obtained an appropriate court order or decree) to make payments on the Purchased Accounts directly to the Purchaser; and (iii) to bring suit in the Provider's name and to settle or compromise such Purchased Accounts as the Provider or the Servicer, if any, may, in its discretion, deem appropriate (other than with respect to Governmental Third Party Obligors, unless Purchaser has obtained an appropriate court order or decree); and (iv) to file financing statements as it deems necessary or advisable. Notwithstanding the foregoing, upon request of Purchaser from time to time, Provider shall cooperate with Purchaser in order to allow Purchaser to obtain a court order or decree directing Governmental Third Party Obligors to make payments on Governmental Accounts directly to the Purchaser Lockbox or the Purchaser Lockbox Bank Account.

(c) The Provider shall pay to the Purchaser (or any assignee or participant) the out-of-pocket costs, fees, and expenses (including reasonable attorneys' fees and auditing fees) incurred by the Purchaser (or any assignee or participant) incident to the exercise of the rights of the Purchaser and the enforcement of the Provider's obligations hereunder, including those involving any bankruptcy or insolvency proceedings of the Provider, and the Purchaser's costs, fees, and expenses in monitoring and participating in any such proceedings, within fifteen (15) days of the receipt of notice thereof. Upon request, Provider will reimburse Purchaser (or any assignee or participant) certain routine expenses, including credit research, filing searches, filing fees, wire transfer costs, overnight mail and travel expenses.

(d) The Provider shall: (i) treat transfers to the Purchaser of Purchased Accounts hereunder as a sale for all purposes, including tax and accounting (and shall accurately reflect all such sales in its financial statements; the financial statements of the Provider shall disclose the effects of the sale and purchase of the Purchased Accounts in accordance with generally accepted accounting principles, including treating the sale of the Purchased Accounts as a sale rather than as a financing transaction; and the financial statements of the Provider shall clearly indicate that the Purchased Accounts have been purchased by the Purchaser and that the Purchased Accounts are not available to satisfy the obligations of the Provider or its affiliates), and shall promptly advise all persons and entities who inquire about the ownership of any Purchased Accounts that the Purchased Accounts have been sold to the Purchaser; (ii) not treat any Purchased Accounts as an asset on the Provider's books and records; (iii) record in the Provider's books, records and computer files pertaining thereto that the Purchased Accounts have been sold to the Purchaser and that the Purchaser has exclusive ownership of the Purchased Accounts; (iv) pay all taxes, if any, relating to the transfer of the Purchased Accounts after the same have been purchased by the Purchaser; (v) not assign or grant any security interest in any Accounts from and after the date hereof to any person or entity other than the Purchaser; (vi) not impede or interfere with the Purchaser's collection of any Purchased Accounts; (vii) not amend, waive, or otherwise permit or agree to any deviation from the terms or conditions of Purchased

Accounts; (viii) obtain all consents from patients that are required by law in order for the Purchaser or the Servicer, if any, to obtain information needed to obtain payment from the respective Third Party Obligors; (ix) bill Accounts on the same bases and using the same policies and practices that it has used in the past unless the Purchaser has been advised of and consented in writing to a change prior to its purchase of such Accounts; and (x) not claim any ownership interest in any Purchased Account. The Purchaser or its designated representatives from time to time may audit or otherwise verify any Accounts, inspect, check, and take copies of or extracts from the Provider's books, records, and files and interview employees and former employees of the Provider and, in each instance, the Provider shall make the same available to the Purchaser or such representatives at any reasonable time for such purposes.

(e) The Provider agrees that the Purchaser or the Servicer, if any, shall have the right but not the obligation to have at least one of its agents or representatives physically present in the Provider's administrative offices during normal business hours to assist the Provider in performing its obligations under this Agreement.

(f) Until such time as the Provider has satisfied all obligations owed Purchaser under this Agreement, the Provider shall deliver to the Purchaser: (i) within 45 days after the end of each fiscal quarter, the Provider's financial statements for such period and for that portion of its fiscal year through the end of such period; (ii) within one hundred fifty (150) days after the end of the Provider's fiscal year, the Provider's audited, annual financial statements for such year (or if such statements are not audited, annual financial statements certified by the Provider's chief financial officer); and (iii) promptly upon request, such other information concerning the Provider as the Purchaser or the Servicer, if any, may from time to time request, including without limitation Medicare cost reports and audits. All financial statements delivered to the Purchaser shall be prepared on a basis consistent with those previously submitted to the Purchaser. The Provider shall not change its accounting coding system for its Accounts without prior written notification to the Purchaser of such change.

(g) The Provider shall promptly notify the Purchaser and the Servicer, if any, in the event of any action, suit, proceeding, dispute, offset, deduction, defense, or counterclaim that is or may be asserted by a Third Party Obligor with respect to any Account. The Provider shall make all payments to the Third Party Obligors necessary to prevent the Third Party Obligors from offsetting any earlier overpayment to the Provider against any amounts the Third Party Obligors owe on any Purchased Accounts.

(h) The Provider shall not at any time, during or after the Offer Period, disclose to any third party the terms of this Agreement (including without limitation the exhibits hereto) or any information or materials communicated to the Provider by the Purchaser or obtained by the Provider from the Purchaser (the "**Confidential Materials**") unless specifically authorized in writing by the Purchaser to do so; provided, however, that the Provider may disclose certain Confidential Materials, on a need-to-know basis, to its officers, directors, shareholders, employees, attorneys, accountants, and other professional advisors and consultants as is reasonably necessary for compliance with the terms of this Agreement or the conduct of the Provider's business, provided, further, however, that the Provider shall comply with its obligations under this Agreement to inform third parties that the Purchaser owns the Purchased Accounts. In the event that at any time or from time to time the Purchaser shall give the Provider

written authorization to make any disclosures of Confidential Materials, the Provider shall do so only within the limits and to the extent of such authorization. In addition, the Provider shall take all actions necessary to prevent disclosure of any Confidential Materials to any third party. In the event that the Provider is requested or directed to supply any information contained in any such Confidential Materials pursuant to the terms of a subpoena, order, civil investigation demand, or similar process issued by a court of competent jurisdiction or by a governmental body, the Provider shall: (a) promptly notify the Purchaser of the service of such process and of all other terms and circumstances surrounding such request or direction; (b) consult with the Purchaser on the advisability of taking legally available steps to resist or limit such request or direction; and (c) if disclosure of such information is required, furnish only that portion of the Confidential Materials that, in the opinion of the disclosing party's counsel, is legally required to be so disclosed and advise the Purchaser as far in advance of such disclosure as is possible in order that the Purchaser may have an opportunity to seek an appropriate protective order or other reliable assurance that confidential treatment will be accorded such Confidential Materials. Without limiting the generality of the foregoing, the Provider shall not oppose any actions by the Purchaser or any of its agents or representatives to obtain appropriate protective orders or other reliable assurances that confidential treatment shall be accorded to such Confidential Materials.

(i) The Provider shall not: (i) enter into any agreement to subordinate its rights with respect to any Accounts to any other person or entity without the prior written consent of the Purchaser, or (ii) amend any such agreement as to which Purchaser's consent has been given, without, in each such instance, the prior written consent of Purchaser to such amendment.

(j) The Provider shall immediately notify the Purchaser of any default in any indebtedness of the Provider. The Provider agrees that, subject to the penultimate sentence of this paragraph, the Purchaser shall have the right, in its sole discretion, to pay any person or entity as to whom such default exists out of amounts otherwise payable to the Provider pursuant to this Agreement, and the Provider hereby authorizes the making of any such payment directly to such aggrieved person or entity and any such payment by the Purchaser to such person or entity shall be deemed to constitute a payment to the Provider of the corresponding amount payable by Purchaser to the Provider. In the event of a good faith dispute as to the existence of any such default, the Provider agrees that, subject to the penultimate sentence of this paragraph, the Purchaser shall have the right, in its sole discretion, to make any such payment into an escrow account pending determination thereof. It is understood and agreed that this provision is for the benefit of the Purchaser and that the third party person or entity shall not be entitled to enforce any rights hereunder. It is further understood that prior to the Purchaser making any payments pursuant to this paragraph (whether directly to another person or entity or to an escrow account), the Purchaser shall give the Provider prior written notice of the Purchaser's intent to make such payment and the Purchaser shall give the Provider 20 days to cure such default. If such default is not cured within such 20 day period the Purchaser shall be entitled to make the payments described in this paragraph.

(k) The Provider shall immediately notify the Purchaser if any representation or warranty made by the Provider pursuant to this Agreement shall cease to be true, correct, and complete in all respects.

(l) The Provider shall immediately notify the Purchaser in writing (i) if it has any intention of commencing any bankruptcy or insolvency proceeding or (ii) upon the commencement of any bankruptcy or insolvency proceeding by or against the Provider.

(m) Provider acknowledges that there is no, and it will not seek or attempt to establish any, fiduciary relationship between Purchaser and Provider and Provider waives any right to assert, now or in the future, the existence or creation of any fiduciary relationship between Purchaser and Provider in any action or proceeding (whether by way of claim, counterclaim, crossclaim, or otherwise) for damages or other relief.

(n) Provider acknowledges that this Agreement is one of financial accommodation and not assumable by any debtor, trustee, or debtor-in-possession in any bankruptcy proceeding without Purchaser's express written consent.

(o) Purchaser's books and records shall be admissible in evidence without objection as prima facie evidence of the status of the accounts between Purchaser and Provider. Each statement, report, or accounting rendered or issued by Purchaser to Provider shall be deemed conclusively accurate and binding on Provider unless within fifteen (15) days after the date of issuance Provider notifies Purchaser to the contrary by registered or certified mail, setting forth with specificity the reasons why Provider believes such statement, report or accounting is inaccurate, as well as what Provider believes to be correct amount(s) therefor. Provider's failure to receive any such statement shall not relieve it of the responsibility to request such statement and Provider's failure to do so shall nonetheless bind Provider to whatever Purchaser's records would have reported.

(p) In the event Provider's principals, officers, or directors form a new entity, for the purpose of engaging in any business conducted by or related to the business of Provider, or if such Entity is intended to be a transferee or assignee of any assets of Provider or is to function or operate as a subsidiary, affiliate or successor to Provider, whether corporate, partnership, limited liability company, or otherwise during the term of this Agreement or while Provider remains liable to Purchaser for any obligations under this Agreement, such entity shall be deemed to have expressly guaranteed the obligations due Purchaser by Provider under this Agreement. Upon the formation of any such entity, Purchaser shall be deemed to have been granted an irrevocable power of attorney with authority to execute file, on behalf of the newly formed entity, a new UCC-1 financing statement with any and all appropriate secretaries of state or other UCC filing offices. Purchaser shall be held harmless by Provider and be relieved of any liability as a result of Purchaser's filing or recording of any such financing statement or the resulting perfection of a lien in any of the new entity's assets. In addition, Purchaser shall have the right to notify the new entity's Third Party Obligors of Purchaser's rights, including without limitation, Purchaser's right to collect all Accounts, and to notify creditor of the new entity that the Purchaser has rights in such new entity's assets.

9. Security Interest.

(a) "Subject Property" (sometimes referred to herein as "Collateral") means all of the Provider's right, title, and interest in, to, and under any and all of the following: accounts receivables (whether offered for purchase or not, and whether purchased or not), including

without limitations all Accounts, representing any and all of Provider's rights to payment, whenever arising, together with all accounts, chattel paper, documents, instruments, letter of credit rights, supporting obligations, deposit accounts, and general intangibles arising from or related thereto, all rights, remedies, guarantees, security interests, and liens in respect of any of the foregoing, all records (other than patient medical records to the extent protected from disclosure by law) and other information necessary or relevant to the collection of such Collateral, whether now owned or existing or hereafter created, acquired, or arising and wherever located, and all of the proceeds, products, and offspring of the foregoing (all of such terms, as applicable, are presently or hereafter defined in the Uniform Commercial Code), including but not limited to (i) all rights to payment arising under any agreements with Third Party Obligors, (ii) all cash deposited with Purchaser or that Purchaser is entitled to retain or otherwise possess as collateral pursuant to the provisions of this Agreement, and (iii) any and all cash and non-cash proceeds of the foregoing (including, but not limited to, any claims to any items referred to in this definition and any claims against third parties for loss of, damage to, or destruction of any or all of the Collateral or for proceeds payable under or unearned premiums with respect to policies of insurance) in whatever form.

(b) The Purchaser is granted a first priority security interest in and to the Collateral to secure the repayment of all amounts advanced to or for the benefit of the Provider and all other amounts due or owing to the Purchaser by the Provider.

(c) In the event that, contrary to the mutual intent of the Provider and the Purchaser, any purchase of any Purchased Accounts is not characterized as a sale, the Provider shall, effective as of the date hereof, be deemed to have granted (and the Provider does hereby grant) to the Purchaser a first priority security interest in and to all of the Purchased Accounts to secure the repayment of all amounts advanced to or for the benefit of Provider hereunder and all other amounts due or owing to the Purchaser by the Provider, and this Agreement shall be deemed to be a security agreement for such purposes. **In such event, it is agreed that this Agreement is intended to comply in all respects with all provisions of law and not to violate, in any way, any legal limitations on interest charges. Accordingly, if, for any reason, the Provider is required to pay, or has paid, interest or fees at a rate in excess of the highest rate of interest that may be charged by the Purchaser or that the Provider may legally contract to pay under applicable law (the "Maximum Rate"), then the interest rate shall be deemed to be reduced, automatically and immediately, to the Maximum Rate, and interest or fees payable hereunder shall be computed and paid at the Maximum Rate and the portion of all prior payments of interest or fees in excess of the Maximum Rate shall be deemed to have been prepayments of the amounts advanced to the Provider hereunder.**

(d) With respect to the grant of a security interest as set forth above, the Purchaser may, at its option, exercise from time to time any and all rights and remedies available to it under the UCC or otherwise. The Provider agrees that five (5) days shall be reasonable prior notice of the date of any public or private sale or other disposition of all or part of the Subject Property.

(e) The Provider represents and warrants that: (i) the location of the Provider's principal place of business, chief executive office and all locations in which the Provider maintains records with respect to the Accounts are set forth in the introductory paragraph of this

Agreement, and that the Provider has not changed any such location in the last five (5) years; and (ii) the exact name of the Provider is as set forth in the introductory paragraph of this Agreement and, except as set forth therein, the Provider has not changed its name in the last five (5) years and during such period the Provider did not use, nor does the Provider now use, any fictitious, doing business as or trade name or any other name. Each Provider shall notify the Purchaser in writing thirty (30) days prior to any change in any location referred to in clause (i) and any change in any name referred to in clause (ii).

10. Remedies. Each of the Purchaser's rights and remedies under this Agreement are cumulative, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies the Purchaser may have under applicable law. The Purchaser shall have the right, in its sole discretion, to determine which rights and remedies, and in which order any of the same, are to be exercised. No act, failure, or delay by the Purchaser shall constitute a waiver of any of the rights and remedies to which it would otherwise be entitled. In the event Purchaser deems it necessary to seek equitable relief, including, but not limited to, injunctive or receivership remedies, as a result of Provider's default, Provider waives any requirement that Purchaser post or otherwise obtain or procure any bond. Alternatively, in the event Purchaser, in its sole and exclusive discretion, desires to procure and post a bond, Purchaser may procure and file with the court a bond in an amount up to and not greater than $10,000.00 notwithstanding any common or statutory law requirement to the contrary. Upon Purchaser's posting of such bond it shall be entitled to all benefits as if such bond was posted in compliance with applicable law. Provider also waives any right it may be entitled to, including an award of attorneys' fees or costs, in the event any equitable relief sought by and awarded to Purchaser is thereafter, for whatever reason(s), vacated, dissolved, or reversed. Notwithstanding the existence of any law, statute, or rule, in any jurisdiction that may provide Provider with a right to attorneys' fees or costs, Provider hereby waives any and all rights to hereafter seek attorneys' fees or costs thereunder and Provider agrees that Purchaser exclusively shall be entitled to indemnification and recovery of any and all attorneys' fees or costs in respect to any litigation based hereon, arising out of, or related hereto, whether under, or in connection with, this or any agreement executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written), or actions of either party.

11. Term; Termination. (a) The Offer Period shall be automatically extended from year to year on the terms and conditions set forth in this Agreement unless (i) Purchaser shall, not less than thirty (30) days prior to the expiration of the initial one year Offer Period or any subsequent one year Offer Period, give to Provider notice of Purchaser's intention not to so extend or (ii) Provider shall, not less than thirty (30) days prior to the expiration of the initial one year Offer Period or any subsequent one year Offer Period, give to Purchaser notice of Provider's intention not to so extent, or, in accordance with paragraph (b), give to Purchaser notice of Provider's intention to terminate this Agreement. This Agreement shall be binding upon the parties hereto upon its execution and shall continue until the later of (i) the collection of all Accounts sold hereunder or (ii) the payment of any Repurchase Prices and all other amounts due hereunder.

(b) The Provider may terminate its obligation to offer to sell Accounts to the Purchaser pursuant to this Agreement upon no less than sixty (60) days prior written notice to the Purchaser, accompanied by the Prepayment Penalty if such termination is at a time other than

at the end of the Offer Period. The "Prepayment Penalty" means as of the date on which the Provider so notifies the Purchaser, the amount that Purchaser would have received as discount fees pursuant to paragraph 2 of this Agreement over the next six (6) months based on the average of all discount fees for the preceding six (6) months, or for each month since the date of this Agreement, whichever results in a larger amount payable to Purchaser.

(c) Notwithstanding anything contained herein to the contrary, the Purchaser may terminate this Agreement immediately and without notice upon the occurrence of any of the following events (each a "**Termination Event**"): (i) the Provider fails to make any payment (including the delivery to Purchaser of any Misdirected Payment) required under this Agreement, (ii) there is an occurrence of a **Bankruptcy Event** (as defined below) with respect to the Provider or (iii) the Provider fails to honor any obligation set forth in this Agreement. For purposes of this Agreement, "**Bankruptcy Event**" shall mean the Provider generally not paying its debts as such debts become due, or admitting in writing its inability to pay its debts generally, or making a general assignment for the benefit of creditors; or any proceeding being instituted by or against the Provider seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, 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 or assets 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 or assets) shall occur; or the Provider taking any action to authorize or acquiesce in any of the actions set forth above in this paragraph.

(d) If a Termination Event shall occur and be continuing, the Purchaser may, without limiting any right of the Purchaser hereunder, take complete authority and control of all administration and servicing of the Accounts, at the Provider's sole cost and expense. Upon any such action, the Purchaser shall have, in addition to the rights and remedies it may have under this Agreement, all other rights and remedies provided after default under the UCC and under other applicable law, which rights and remedies shall be cumulative. A Termination Event shall not affect any security interest granted pursuant to this Agreement, including but not limited to security interests in property not yet owned by Provider or not created as of the Termination Event.

12. **Indemnification.** This Agreement shall not constitute an assumption by the Purchaser of any obligation to any Third Party Obligor or patient. The Provider shall indemnify and hold harmless the Purchaser, and its officers, directors, shareholders, employees, representatives, agents, and assigns (each an "**Indemnified Party**"), from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, and disbursements of any kind or nature whatsoever (including, without limitation, settlement costs and any attorneys and accountants fees and expenses relating to or in connection with the enforcement of the Purchaser's rights and remedies hereunder, or for investigating, prosecuting, or defending any actions or threatened actions) that may be imposed on, incurred by, or asserted against, any Indemnified Party in any way relating to or arising out of any breach by the

Provider of any representation, warranty, covenant, or agreement contained in this Agreement, including without limitation any document furnished pursuant hereto, together with interest on cash disbursements in connection therewith at the Additional Charge from the date cash disbursements were made or incurred by any Indemnified Party until paid in full by the Provider. Any amount payable by the Provider to the Purchaser under any provision of this Agreement shall be paid without any deduction or set-off of any kind by the Provider.

13. Controlling Law. This Agreement, each of the other documents delivered and to be delivered pursuant hereto, and all of the rights and obligations of the parties hereunder and thereunder shall be governed by and interpreted in accordance with the laws of the State of Florida, without regard to the conflict of law provisions of the State of Florida.

14. Waiver of Jury Trial, Jurisdiction and Venue. THE PROVIDER HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN THE EVENT OF ANY LITIGATION WITH RESPECT TO ANY MATTER RELATING TO THIS AGREEMENT AND ANY OF THE DOCUMENTS DELIVERED AND TO BE DELIVERED HEREUNDER AND THE PROVIDER HEREBY IRREVOCABLY CONSENTS TO THE SOLE AND EXCLUSIVE JURISDICTION OF, AT THE OPTION OF THE PURCHASER, THE STATE OR FEDERAL COURTS IN THE STATE OF FLORIDA, PALM BEACH COUNTY, IN CONNECTION WITH ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY SUCH DOCUMENTS. PROVIDER ALSO WAIVES ANY RIGHT TO OBJECT TO VENUE OR SEEK TO CHANGE VENUE BASED ON INCONVENIENCE OR OTHERWISE. THE PROVIDER 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 PROVIDER AT THE PROVIDER'S ADDRESS FIRST ABOVE SET FORTH IN THIS AGREEMENT. THE PROVIDER SHALL APPEAR IN ANSWER TO SUCH SUMMONS, COMPLAINT OR OTHER PROCESS WITHIN THE TIME PRESCRIBED BY LAW, FAILING WHICH THE PROVIDER SHALL BE DEEMED IN DEFAULT AND JUDGMENT MAY BE ENTERED BY THE PURCHASER AGAINST THE PROVIDER FOR THE AMOUNT OF THE CLAIM AND ANY OTHER RELIEF REQUESTED THEREIN.

15. Miscellaneous.

(a) This Agreement sets forth the entire agreement and understanding of the parties hereto concerning the subject matter provided for herein. This Agreement supersedes any and all prior agreements and understandings between the parties with respect to such subject matter, whether oral or written.

(b) This Agreement may only be amended by a writing signed by both of the parties hereto. No waiver shall be effective unless it is in writing and is signed by the waiving party. Any waiver shall be effective only in the specific instance and for the specific purpose for which it is given.

(c) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Notwithstanding the foregoing, the

Provider may not, directly or indirectly, voluntarily or by operation of law, assign this Agreement or any of its rights or obligations hereunder without first obtaining the prior written consent of the Purchaser. The Provider acknowledges that the Purchaser may pledge, assign, or transfer any or all of its rights and obligations hereunder and its interest in the Purchased Accounts and the other Subject Property to another entity, including as collateral security for any indebtedness of the Purchaser.

(d) The invalidity or unenforceability of any provision of this Agreement shall not impair the validity or enforceability of any other provisions of this Agreement.

(e) Unless otherwise expressly provided in this Agreement, all notices and other communications provided for herein shall be in writing and shall be deemed to have been given when delivered by facsimile transmission or overnight delivery service or two (2) days after mailed by first class registered or certified mail, postage prepaid, to the addresses first above set forth, or to such other address as may be furnished from time to time by notice similarly served to the other party at the address first above set forth.

(f) The representations, warranties, and covenants of the Provider contained herein shall survive the purchase of the Purchased Accounts and shall remain in full force and effect notwithstanding any investigation made by or on behalf of the Purchaser and notwithstanding any knowledge (actual or imputed) that the Purchaser may have that is inconsistent therewith.

(g) The Provider agrees that the Servicer, if any, shall not be liable in any respect to the Provider for the structuring of this Agreement, the flow of funds received from the servicing of Purchased Accounts, or any of the Purchaser's obligations to the Provider. Any provision in this Agreement that refers to the Servicer, if any, shall also apply to any sub-servicer that may at any time or from time to time be appointed by the Purchaser or the Servicer.

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same instrument.

(i) Nothing set forth herein or otherwise shall render Purchaser and Provider partners of one another, or constitute the Provider as an agent of Purchaser.

(j) Provider's sole remedy for any breach committed by Purchaser of any obligation owed under this Agreement or any other agreement between Provider and Purchaser shall be limited to recovery of any payment obligation of Purchaser to Provider that is unpaid at the time of such breach together with the balance of the Reserve Account. Under no circumstances shall Purchaser be liable for any incidental, special, or consequential punitive, or exemplary damages, including, but not limited to, loss of goodwill, loss of profit, or any other costs associated therewith, whether Purchaser did or did not have any reason to know of a loss that may result from any general or particular requirement of Provider.

(k) Provider agrees to execute any and all forms (including without limitation, Forms 8821 and 2848) that Purchaser may require in order to enable Purchaser to

obtain and receive tax information with respect to Provider from the Department of the Treasury, Internal Revenue Service or other taxing authority, or to receive refund checks.

(l) The Provider agrees that it shall not institute against, or solicit or encourage any person or entity to institute against, or join any person or entity in instituting against, the Purchaser or any of its property any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings or any other similar proceeding under any federal, state or other law.

Each of the parties hereto, by its signature below, acknowledges that all of the terms, conditions, covenants, and agreements set forth above are acceptable to it and that it shall

comply with all of the terms and conditions set forth in this Agreement. The date of this Agreement is the date set forth on the first page of this Agreement.

PURCHASER- Sun Capital HealthCare, Inc.

By: _____
Howard Koslow

Title: Chief Operating Officer

Date: 5/9/06

PROVIDER-NormaTec Industries, LP

By: _____

Name: Laura F. Jacobs, MD, PhD

Title: President & CEO

Date: 5/4/06

EXHIBIT A

SUN CAPITAL HEALTHCARE, INC.
PURCHASE SCHEDULE

[Account information shall be specified in each Purchase Schedule in form and substance satisfactory to Purchaser]

EXHIBIT B

Lockbox Agreement
[attached]

EXHIBIT C

Form of Provider Notice of
Sale to **Non-Governmental Third Party Obligors**
(Pursuant to Section 4. 2(a))

[Letterhead of the Provider]

Date

RE: Client Name, Tax ID

Dear Sir or Ms.:

Please be advised that the following legal entity and Tax ID number:
Client Name , Tax ID- has assigned it's accounts receivable to SUN CAPITAL HEALTHCARE, INC. We therefore request that you send all payments for such entity's (entities') accounts receivable that are made by wire transfer or by other electronic transfer directly into the following SUNTRUST BANK account:

SUNTRUST BANK ACCOUNT NUMBER:
ROUTING/ABA NUMBER: 061000104
REFERENCE: Client Name

Please send all hard copy checks, explanation of benefits, remittance advices, and all communication involving such accounts receivable (i.e., denials, rejections, etc.) to:

Client Name
c/o SUNTRUST BANK
P.O. BOX
Atlanta, GA 30368-

All such payments shall be made payable to the legal entity name as noted previously in this letter. These instructions may only be changed with the consent of both of the parties that sign below.

If you should have any questions concerning this letter, please contact Alissa Cohen at #800-880-1709. Thank you for your assistance in this matter and your attention to these requests.

Sincerely,	Agreed To And Acknowledged:
Client Name	**Sun Capital Healthcare, Inc.**
Signature:_____	Signature:_____
Name:_____	Name: Howard B. Koslow
Title:_____	Title: President & Chief Operating Officer

EXHIBIT D

Form of Provider Notice of Payment Direction to Governmental Third Party Obligors
(Pursuant to Section 4.3(b))

[Letterhead of the Provider]

Date

RE: ACCOUNTS RECEIVABLE PAYMENT ADDRESS

Dear Sir or Ms:

We have opened a new post office box and a new bank account at Sun Trust Bank. Accordingly, we hereby request that:

(1) all wire transfers or other electronic transfers be made directly into the following account at- Sun Trust Bank:
Account No._____
Reference : _____

(2) all explanations of benefits, remittance advises, and other forms of payment, including checks, be sent to the following post office box:
Entity Name
c/o Sun Trust Bank
P.O. Box _____
_____, _____

Thank you for your cooperation in this matter and appreciate your attention.

Sincerely,

Entity Name

Signature:_____

Name: _____

Title: _____

EXHIBIT E
Form of UCC Language
(until otherwise specified by the Purchaser)
(Pursuant to Sections 8(a) and 9(a))

All now owned or existing or hereafter acquired, arising or created accounts, inventory, equipment, chattel paper, documents, instruments and general intangibles, and all proceeds and products and offspring of the foregoing (as all of such terms are presently or hereafter defined in the Uniform Commercial Code), as well as all Accounts and Purchased Accounts as defined in the Master Purchase and Sale Agreement between Debtor and the Secured Party (as amended, amended and restated, or otherwise modified from time to time), including but not limited to all rights to payment under any agreements with all Third Party Obligors as defined therein.

WHOLESALE LOCKBOX DEPOSIT AND BLOCKED ACCOUNT SERVICE AGREEMENT WITH PROVIDER

This Agreement (hereinafter "Agreement"), setting forth the understanding of the parties hereto, is made and entered into as of the 8 day of September, 2006 by and among SunTrust Bank (hereinafter "Bank"), a Georgia banking corporation, America West Management Group, Inc,(hereinafter "Provider"), a California corporation with its principal office located at 2677 Zoe, Ste. 105, Huntington Park, California 90255; and Sun Capital Healthcare, Inc. (hereinafter "Purchaser") a Florida corporation with its principal office located at 999 Yamato Road, Third Floor, Boca Raton, Florida 33431, for the use of Bank's Wholesale Lockbox Deposit Service to facilitate the presentation, collection, and transfer of checks, drafts, money orders, or any other negotiable instruments or orders for the payment of money and the proceeds thereof payable to Provider and/or Purchaser, as the case may be (hereinafter collectively "Items").

RECITALS

WHEREAS, Provider and Purchaser have entered into a separate agreement ***dated as of August 22, 2006*** (as the same may be amended, amended and restated, or otherwise modified from time to time, the "Master Purchase and Sale Agreement"), by and between the Provider and the Purchaser, providing for the unconditional sale, transfer, and assignment by Provider to Purchaser of certain accounts receivable due and owing to Provider from various third-party obligors (including without limitation both Governmental Accounts and Non-Governmental Accounts, each as defined in the Master Purchase and Sale Agreement) (hereinafter "Purchased Accounts") and for the procedures governing the collection of both such Purchased Accounts and all other "Accounts" as hereinafter defined; and

WHEREAS, as an inducement to Purchaser to enter into the Master Purchase and Sale Agreement, Provider has granted Purchaser a first priority security interest in all accounts receivable generated by the Provider (all such accounts receivable and Purchased Accounts hereinafter collectively referred to as "Accounts"), and all proceeds thereof (including without limitation the Items); and

WHEREAS, the parties hereto desire to set forth their respective rights, duties, and obligations with respect to the Accounts, certain lockbox and deposit accounts established with Bank, the Items, and all amounts that may be on deposit with Bank from time to time.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **MAIL; LOCKBOXES**

A. Bank, on behalf of Provider and Purchaser, respectively, shall rent two separate post office boxes as follows: (i) one in the name of Provider to receive items and mail from obligors of Governmental Accounts (as defined in the Master Purchase and Sale Agreement) (hereinafter "Provider Lockbox"), and (ii) one in the name of Purchaser to receive items and mail from obligors of Non-Governmental Accounts (as defined in the Master Purchase and Sale Agreement) (hereinafter "Purchaser Lockbox"). The Provider Lockbox and Purchaser Lockbox are hereinafter collectively referred to as the "Lockboxes." Bank shall have unrestricted and exclusive access to the Lockboxes and shall have its messenger collect the contents therein at least once during each business day.

B. In the case of Governmental Account obligors pursuant to Section 1.A.(i) above, Provider shall instruct its remitters to mail all payments to the Provider Lockbox at:

America West Management Group, Inc.
c/o SunTrust Bank
P.O. Box 102481
Atlanta, GA 30368-2481

C. In the case of Non-Governmental Account obligors pursuant to Section 1.A.(ii) above, Provider shall instruct its remitters to mail all payments to the Purchaser Lockbox at:

Sun Capital Healthcare, Inc.
c/o SunTrust Bank
P.O. Box 102512
Atlanta, GA 30368-2512

2. **OWNERSHIP OF ITEMS; ENDORSEMENT**

A. IN LIGHT OF PROVIDER'S UNCONDITIONAL SALE, TRANSFER, AND ASSIGNMENT OF THE PURCHASED ACCOUNTS TO PURCHASER AND ITS GRANTING OF A FIRST PRIORITY SECURITY INTEREST IN FAVOR OF PURCHASER IN ALL ACCOUNTS, PROVIDER SPECIFICALLY DISCLAIMS ANY AND ALL RIGHT, TITLE, AND INTEREST IN OR TO ANY AND ALL ITEMS TENDERED OR REMITTED BY ANY OBLIGOR, WHETHER GOVERNMENTAL OR NON-GOVERNMENTAL, AND PROVIDER AGREES, REPRESENTS, AND WARRANTS THAT ALL SUCH RIGHT, TITLE, AND INTEREST IS SOLELY VESTED IN PURCHASER, EVEN IN THE ABSENCE OF ANY ENDORSEMENT BY PROVIDER ON ANY ITEM. PROVIDER FURTHER AGREES, REPRESENTS, AND WARRANTS THAT PURCHASER HAS SOLE RIGHT, TITLE, AND INTEREST IN AND TO THE CONTENTS OF THE LOCKBOXES, INCLUDING, WITHOUT LIMITATION, THE ITEMS, ALL FUNDS HELD THEREIN, AND ANY MAIL OR OTHER CONTENTS, AND PROVIDER HEREBY DISCLAIMS ANY RIGHT OF ANY NATURE WHATSOEVER TO

CONTROL OR OTHERWISE DIRECT OR MAKE ANY CLAIM AGAINST SAID ITEMS, FUNDS, MAIL, AND OTHER CONTENTS AS RECEIVED UNDER THIS AGREEMENT FROM TIME TO TIME, EXCEPT THAT BANK MAY SET-OFF AGAINST THE LOCKBOXES, THE LOCKBOX BANK ACCOUNTS AS ESTABLISHED PURSUANT TO SECTION 3.A. OF THIS AGREEMENT, THE PURCHASER COLLECTION ACCOUNT ESTABLISHED UNDER SECTION 3.C.2. OF THIS AGREEMENT, AND OTHER ACCOUNTS OR ASSETS OF PROVIDER OR PURCHASER HELD BY BANK IN ACCORDANCE WITH BANK'S RIGHTS UNDER SECTIONS 4, 10, AND 11 OF THIS AGREEMENT.

B. Bank shall deposit all processed Items received in any Lockbox in accordance with the instructions hereinafter set forth. IT IS AGREED BY THE PARTIES HERETO THAT BANK IS NOT IN PRIVITY WITH PROVIDER AND PURCHASER IN RESPECT OF THE MASTER PURCHASE AND SALE AGREEMENT. ACCORDINGLY, BANK SHALL HAVE NO DUTY OF INQUIRY AS TO ANY OF THE CIRCUMSTANCES OF THE ENDORSEMENT, TRANSFER, DELIVERY, OR DISPOSITION BY PURCHASER OF ALL SUCH ITEMS (AND PROCEEDS THEREOF), FUNDS, MAIL, AND OTHER CONTENTS.

C. Purchaser and Provider hereby grant to Bank an irrevocable power of attorney, coupled with an interest to take in such person's name, to take all action that must be taken to grant Bank access to the Lockboxes and to endorse each remittance delivered to the Lockboxes as follows: (i) "Deposited for credit to payee's Account without prejudice and with reservation of all rights. Absence of Endorsement Guaranteed SunTrust Bank, SFOC Lockbox," or (ii) by any other endorsement or notation in whatever form or type in accordance with either usual banking practice or such other practice in accordance with any other applicable laws, rules, or regulations, including without limitation Clearing House or Federal Reserve Bank rules. Notwithstanding anything to the contrary in this Agreement, both Provider and Purchaser shall at all times be, and remain, jointly and severally liable as endorsers and/or depositors and/or transferors to Bank, as depository bank, on all Items in accordance with all applicable provisions of law. Nothing contained on any Item shall be deemed to constitute notice to Bank of any defect, irregularity, or impropriety with respect to any such Item.

3. DEPOSITS; COLLECTION OF PURCHASED ACCOUNTS

A. Establishment of Lockbox Bank Accounts:

On each business day, Bank shall deposit the various Items received (i) in the case of the Provider Lockbox to the deposit account established by Purchaser for this purpose with Bank as account number 1000037813861 (hereinafter "Provider Lockbox Bank Account"), and (ii) in the case of the Purchaser Lockbox to the deposit account established by Purchaser for this purpose with Bank as account number 1000037813879 (hereinafter "Purchaser Lockbox Bank Account"). The Purchaser

Lockbox Bank Account and the Provider Lockbox Bank Account are hereinafter collectively referred to as the "Lockbox Bank Accounts." Bank shall also receive wire transfers and other electronic funds transfers in the Lockbox Bank Accounts. All transactions in the Lockbox Bank Accounts shall be subject to the same rules, regulations, terms, conditions, and schedules of fees as would apply to any customer deposit made in the normal course of business.

B. *Payment and Processing Procedures; Transfer to Purchaser; Standing Instructions:*

1. The parties agree that: (i) Bank shall use good faith efforts to notify Purchaser in writing by facsimile transmission and by telephonic notice in the event that Provider or anyone purporting to act on behalf of Provider shall provide any instructions to Bank that are inconsistent with the instructions set forth in Section 3.A. above, provided, however, Bank shall not be liable to Purchaser for any failure to provide such notice. The Provider agrees to provide Purchaser twenty-one (21) days prior notice of its intent to change the instructions set forth in Section 3.A.

2. Provider shall not, without the prior written consent of Purchaser, (i) change or cancel any funds transfer instructions under this Agreement at any time, or (ii) change the identity of any Lockbox or Lockbox Bank Account or (iii) instruct any governmental or non-governmental obligor to make payments other than to the Lockboxes and the Lockbox Bank Accounts.

C. *Processing; Transfer to Purchaser Collection Account:*

1. Provider and Purchaser each acknowledge and agree that all Items shall be processed automatically and without inspection. Provider and Purchaser shall be and remain jointly and severally liable to Bank for such all Items as endorsers and/or depositors and/or transferors to Bank in accordance with all applicable provisions of law. In addition, nothing contained in any Item shall be deemed to constitute notice to Bank of any defect, irregularity, or impropriety with respect to any such Item, and Bank shall be under no obligation to identify Items bearing any "payment in full" or similar legends and shall have no liability to either Provider or Purchaser therefor, but nothing contained in this Agreement shall prohibit Purchaser or Provider from enforcing any rights they may have regarding any such Items against any non-governmental or governmental obligors.

2. Provider and Purchaser each hereby authorize and direct Bank, in accordance with whatever internal methods or procedures Bank at its sole discretion elects to utilize, to transfer at the end of each business day or as soon as practicable thereafter all collected and available funds in the Lockbox Bank Accounts to such account or accounts (collectively, the "Purchaser Collection Account") of Purchaser at Bank or otherwise as Purchaser may direct from time to time in writing reasonably

acceptable to Bank. Purchaser and Provider each agree to execute any and all further agreements, including without limitation any electronic or other funds transfer agreement, as may be required by Bank to effect such transfers at any time.

4. **RIGHT OF SETOFF**

A. *Limited Waiver:*

Bank agrees that, solely as against the Purchaser Collection Account, the Provider Lockbox, Purchaser Lockbox, and the Lockbox Bank Accounts, it shall not exercise or claim any security interest in or right of set-off or banker's lien against such post office boxes and such accounts or any funds on deposit therein, except to the extent permitted by Sections 4.B., 10, and 11 hereof.

B. *Order of Setoff:*

If any Item deposited in any of the accounts designated in Paragraph 4.A. above is returned unpaid or otherwise dishonored for any reason, including without limitation "insufficient funds," "uncollected funds," or is otherwise returned or claimed upon for reasons of alleged forgery, alteration, improper or unauthorized endorsement, lack of good title, or any other defect for which Provider or Purchaser may be liable to Bank at law or in equity, or in the event any Item is credited to the account in error or creates an overdraft, Bank shall have the right to charge any and all such returned, dishonored, or claimed upon Items or any Items credited in error or creating an overdraft against, in order of priority: (i) any Lockbox or Lockbox Bank Account; (ii) Provider directly on demand by Bank, (iii) any other account of Provider maintained at Bank, or (iv) subject to notice to Purchaser as below specified, any balance of Items or collected funds then in the Purchaser Collection Account or any other account with Purchaser maintained at Bank. If, in the aggregate, (I) Provider is unable or unwilling to promptly repay such amounts to Bank, and (ii) if the balance of collected funds then on deposit in any other account of Provider maintained at Bank is insufficient for such purpose, and (iii) if the balance of collected funds then on deposit in the Lockboxes and Lockbox Bank Accounts and Purchaser Collection Account is insufficient for such purpose, then Bank will immediately notify the Provider and Purchaser, and the Purchaser will immediately reimburse Bank for the amount of any sums due Bank, provided, however, that the Purchaser's obligation shall be subject to the conditions that (i) Purchaser shall have previously received the proceeds of such Items pursuant to this Agreement and (ii) any such reimbursement shall be only to the extent that Bank is not reimbursed therefor by Provider after demand by Bank upon Provider. Provider shall be liable to Purchaser for any and all amounts paid by Purchaser to Bank whether directly or indirectly (including without limitation by debit of any deposit account), including without limitation pursuant to this paragraph. Upon written notice by Bank to Purchaser, Bank may also charge the Lockboxes, Lockbox Bank Accounts, and the Purchaser Collection Account for all service charges owing Bank with respect to the Lockboxes, Lockbox Bank Accounts, the Purchaser Collection Account, and any other account of Purchaser maintained at Bank, it being agreed between Provider and Purchaser that Provider shall immediately

reimburse all such amounts to Purchaser. Purchaser shall maintain a balance in the Purchaser Collection Account sufficient to offset any amounts charged against the account under this section 4.B. and all costs and service fees provided under sections 10 and 11.

5. RIGHT TO EQUITABLE RELIEF

Provider agrees that Purchaser shall be entitled to obtain, to the fullest extent permitted under applicable law, an immediate court order for specific performance of the obligations of Provider under this Agreement relating to any lock boxes or accounts established under this Agreement or to any funds at any time deposited therein, in the event of a failure by Provider to comply with its obligations under this Agreement or the Master Purchase and Sale Agreement, it being agreed in advance that any remedy at law would be inadequate in the event of such a failure.

6. BINDING AGREEMENT; ASSIGNMENT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, with the sole exception that Provider shall not be entitled to assign or delegate any of its rights or duties hereunder without first obtaining the express prior written consent of Purchaser and Bank. Purchaser shall have the right upon prior written notice to Bank at any time and from time to time to assign and/or delegate any or all of its rights and obligations hereunder to any assignee of its rights and obligations under the Master Purchase and Sale Agreement and/or to its servicer appointed pursuant to the Master Purchase and Sale Agreement but, upon any actual or purported assignment or delegation by Purchaser or Provider, as the case may be, Bank may terminate this Agreement by notice as of the effective date of such assignment or delegation or upon thirty (30) business days prior written notice delivered in accordance with paragraph 13 below, whichever is earlier. In no event shall any assignment or delegation impair, cancel, or affect any obligations to Bank due and owing from Provider or Purchaser and Bank's rights in connection therewith under this Agreement or otherwise.

Bank shall at its sole and exclusive discretion have the right, without any advance notice to either Provider or Purchaser, at any time and from time to time to assign and/or delegate any or all of its rights and obligations under this Agreement to any Bank affiliate, parent, subsidiary, or successor in interest; provided that Bank shall cause any such assignee to be bound by the terms of this Agreement pursuant to a written agreement, in form and substance reasonably satisfactory to Purchaser and Lender, not later than three business days after such assignment or delegation.

7. COUNTERPART ORIGINALS; USE OF SINGULAR OR PLURAL

This Agreement may be executed in any number of counterparts, and by the parties hereto on different counterparts, each of which shall be deemed an original and

which together shall be deemed a single document. Any singular terms used herein shall include the plural, and vice versa.

8. **RECORD RETENTION; STATEMENTS**

Bank shall maintain a microfilm or other record of each Item included in each deposit to the Lockbox Bank Accounts. Said microfilm or other record shall be available to Purchaser, upon written request, for a period of not less than four (4) years from the date of deposit of the Item, in accordance with Bank's usual practice or procedure from time to time.

(i) On or about each Wednesday and Friday, the Bank shall deliver, by Federal Express or other recognized overnight courier, to each of Provider, Purchaser, and a "servicer" designated by Purchaser from time to time, with respect to the period since the close of business on the most recent day covered by a previous delivery:

(a) copies of:

(1) each Item and other document or other communication received in the Purchaser Lockbox and

(2) advices of each wire transfer or other electronic transfer received in the Purchaser Lockbox Bank Account; and

(b) copies of

(1) each Item and other document or other communication received in the Provider Lockbox, and

(2) advices of each wire transfer or other electronic transfer received in the Provider Lockbox Bank Account.

(ii) The Bank shall include any corrections or adjustments in respect of any such delivery promptly after discovery of the need therefor.

9. **TERMS AND TERMINATION**

This Agreement shall commence upon each party's execution of this Agreement and shall continue in full force and effect until terminated by Purchaser or Bank for any reason upon thirty (30) days prior written notice to each other and Provider. Notwithstanding anything to the contrary in the foregoing however, if in the reasonable opinion of Bank, Provider or Purchaser shall be in breach of any material provision contained herein, Bank may terminate this Agreement upon five (5) business days prior

written notice to Purchaser and Provider, provided that if Bank for any reason at its sole discretion deems itself insecure or at risk at any time under this Agreement, Bank may terminate this Agreement immediately upon written notice to Purchaser and Provider, said notice to be provided either prior to, simultaneously with, or within a reasonably prompt time following such termination. In the event of termination of this Agreement for any reason, as well as by Bank for reasons of either breach of any material provision under this Agreement or Bank deeming itself insecure or at risk as set forth above, Bank shall upon the effective date of termination, and subject to all rights of set-off and otherwise of Bank, return and forward to Purchaser with respect to Items, funds, mail, or other contents received in the Lockboxes or the Lockbox Bank Accounts, at Purchaser's sole cost and expense, any Items, funds, mail, or other contents that may be received by Bank after such termination for a period not to exceed 60 days after termination. Termination of this Agreement shall not impair, cancel, or affect any obligation due and owing from Provider or Purchaser to Bank at the time of such termination.

10. COSTS

Bank shall upon notice have the right to debit the Lockboxes, Lockbox Bank Accounts, and Purchaser Collection Account for all expenses incurred by Bank in the performance of this Agreement, including but not limited to, post office box rental, telephone, mailing, messenger, and postage costs. If sufficient collected funds shall not be present in such accounts to cover such costs, Bank shall have the right, without demand or notice of any kind, the receipt of which is hereby waived by Provider and Purchaser, to setoff any and all outstanding costs against any balances, credits, deposits, accounts, or monies of Provider or Purchaser held by Bank.

11. SERVICE FEES

Provider shall pay Bank's service fees for its services under this Agreement as set forth in the attached Schedule 1. Bank shall have the right to increase said service fees once during each year, upon the Bank's annual review of such service fees, and shall provide Provider with written notice of same a minimum of forty-five (45) days prior to the effective date of such increase. Upon Provider's failure to pay the service fee, Bank shall have the right to debit the Lockboxes, Lockbox Bank Accounts, and Purchaser Collection Account, or any other account of Purchaser maintained at Bank for all such service fees. If sufficient collected funds shall not be present in such accounts to cover such fees, Bank shall have the right, without demand or notice of any kind, the receipt of which is hereby waived by Provider and Purchaser, to offset outstanding service fees against any balances, credits, deposits, accounts or monies of Provider or Purchaser held by Bank in the same order of priority as set forth in Section 4.B.

12. [INTENTIONALLY OMITTED]

13. NOTICES

Any notice to Bank by Provider or Purchaser shall be effective only (i) if in writing and (ii) upon actual receipt by Bank, Attention: Paula Pearson, Lockbox Processing, at 800 South Federal Highway, Boca Raton, Florida 33432. If Provider or Purchaser is a partnership, corporation, or limited liability company, such notice shall be accompanied by a resolution, signed by all of the partners, the president and secretary (with corporate seal), or managing member, as applicable. Any notice to Provider or Purchaser shall be deemed effective upon mailing or delivery via overnight courier to the last known address of Provider or Purchaser or upon facsimile to the last known telecopy number of Provider or Purchaser appearing in the records of Bank.

14. RESOLUTIONS

Upon execution of this Agreement, Provider and Purchaser shall provide Bank with appropriate resolutions authorizing the execution, delivery, and performance of this Agreement and the transactions contemplated hereby.

15. LIABILITY; INDEMNIFICATION

Provider and Purchaser agree that Bank shall have no liability to any of them for any loss or damage that any or all may claim to have suffered or incurred, either directly or indirectly, by reason of this Agreement or any transaction or service contemplated by the provisions hereof, unless occasioned by the gross negligence or willful misconduct of Bank. In no event shall Bank be liable for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties, or other causes beyond Bank's reasonable control or for indirect, special, consequential, punitive, or exemplary damages. Provider and Purchaser, jointly and severally, shall defend, indemnify, and hold Bank harmless against any and all demands, losses, damages, liabilities, judgments, assessments, awards, costs, legal (including without limitation reasonable attorneys' fees, court costs, and other reasonable litigation expenses), and other reasonable expenses, and in each instance other than resulting from the gross negligence or willful misconduct on the part of Bank, arising from or in connection with Bank entering into this Agreement or the performance of its duties and obligations hereunder, including any claim, proceeding, action, or suit, including any compromise or settlement thereof, that is either (i) brought against Bank in connection with the performance of Bank's obligations hereunder other than with respect to any claim brought against Bank by Purchaser or Provider, and (ii) brought by Bank to enforce any rights or obligations hereunder, including without limitation any rights to payment. Provider and Purchaser agree that Bank's compliance with the terms hereof, including the transfer of amounts on deposit in the Lockbox Bank Accounts or Purchaser Collection Account, shall not constitute willful misconduct by the Bank whether or not the terms of this Agreement comply with applicable statutes, rules, regulations, orders, or decisions of any court or governmental body. Furthermore, notwithstanding anything in this Agreement to the contrary, (i) Bank shall not be concerned with the terms, provisions, or content of any agreement entered into by the other parties to this

Agreement and to which Bank is not a party regarding or relating to the subject matter or purpose of this Agreement, including but not limited to any such agreement expressly referred to in this Agreement, (ii) Bank shall have no fiduciary duties under this Agreement or any transaction or service contemplated by the provisions hereof, to any party, and (iii) Bank shall have no liability as a result of acting or refraining from acting in good faith on any written notice, request, or withdrawal, payment, transfer, or other instruction (including but not limited to electronically confirmed facsimiles) purportedly furnished by Provider or Purchaser in accordance with the terms hereof, in which case the parties agree that Bank has no duty to make any further inquiry whatsoever.

16. SEVERABILITY

In the event that any provision of this Agreement shall for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain unimpaired. The parties hereto agree that any such invalid, illegal, or unenforceable provision shall be replaced by a mutually acceptable valid, legal, and enforceable provision that most closely approximates the economic intent and effect of the invalid, illegal, or unenforceable provision.

17. NON-WAIVER

No obligation or duty of Bank, Provider, or Purchaser hereunder shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by an authorized representative of the party waiving such obligation or duty. Failure or delay by any party to exercise any right, power, privilege, or remedy hereunder shall not operate as a waiver of any different or subsequent breach hereunder.

18. MODIFICATIONS

No change, addition, modification, or discharge, in whole or in part, of any of the terms and conditions contained herein shall be effective unless it is in a separate writing and signed by all parties hereto.

19. FORCE MAJEURE

Bank shall not be liable or responsible for failure or delay in the performance of its duties or obligations under this Agreement if such failure or delay is due to causes beyond the reasonable control of Bank, including but not limited to, acts of civil or banking authorities, national emergencies, labor difficulties, fire, flood, or other catastrophes, nuclear disaster, acts of God, insurrection, war, public utility failure, accident, or malfunctions of the processing equipment involved.

20. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL; NO

BANKRUPTCY PROCEEDINGS

This Agreement has been made, executed, and shall be performed in the state of Florida, and shall be governed and construed for all purposes under and in accordance with the laws of the state of Florida, without regard to its conflict of laws principles. The parties hereto consent to the exclusive jurisdiction and venue of the state or federal courts located within the County of Palm Beach, state of Florida, for any action or proceeding arising out of or relating to this Agreement. Each party hereto hereby waives personal service of any summons, complaint, or other process in connection with any such action or proceeding and agrees that the service thereof may be made by first class mail to the address determined in accordance with Section 13. The parties hereto waive, to the fullest extent permitted by law, all rights to trial by jury in any action, proceeding, or counterclaim brought by any party against the other, or in any matter whatsoever arising out of or in any manner related to this Agreement. Provider agrees that it shall not institute against, or solicit or encourage any person or entity to institute against, or join any person or entity in instituting against, Purchaser or any of its property any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings or any similar proceeding under any federal, state, or other applicable law.

21. LEGAL PROCESS

To the extent it is in accordance with Bank's usual or customary practice, Bank agrees to use its best efforts to provide Purchaser with notice of the service of any levies, restraining notices, attachments, court orders, or other or similar legal process affecting any of the Lockboxes or the Lockbox Accounts or the Purchaser Collection Account so that Purchaser may have an opportunity within any required time in keeping with applicable law to apply for relief from such process to any appropriate court, agency, or other applicable party. Bank shall have no obligation to undertake any defense or challenge to such process or to retain counsel for that purpose. In the event Purchaser or Provider challenges the legal validity or effectiveness, in whole or in part, of such process Provider and Purchaser jointly and severally agree at their sole cost and expense agree to defend, indemnify, and hold Bank harmless from any judgment, loss, cost, expense, fee (including attorneys' fees), penalties, sanctions, and any other amounts that may be imposed or Bank may suffer of whatever type or nature as the result of such process.

22. TITLES OF CONVENIENCE

The Section titles in this Agreement are included as a matter of convenience, for reference purposes only, and in no way define, limit, expand, or describe the scope or intent of any provision herein.

23. ACCEPTANCE

This Agreement shall not become effective until accepted by all parties hereto, such acceptance to be evidenced solely by each party's execution of this Agreement.

24. INTEGRATION

This Agreement is intended as the complete and exclusive statement of the Agreement among the parties hereto relating to the subject matter hereof, and supersedes all prior discussions, correspondence, negotiations, and agreements relating to the subject matter hereof.

25. AUTHORITY

Provider and Purchaser hereby represent and warrant that the individuals signing on their respective behalves have the power and authority to enter into this Agreement and that this Agreement constitutes their valid and binding obligation. If Provider or Purchaser is a partnership, Provider and Purchaser hereby represent and warrant that the signatures below are the authentic signatures of each and every one of their general partners.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SUNTRUST BANK

By: _____
Name: W Dave Sheldon
Title: Senior Vice President

SUN CAPITAL HEALTHCARE, INC.

By: _____
Name: Lawrence Leser
Title: Executive VP & CFO

AMERICA WEST MANAGEMENT GROUP, INC.

By: _____
Name: Mark R. Stiles
Title: president

BROAD AND CASSEL
ATTORNEYS AT LAW

ONE BISCAYNE TOWER, 21ST FLOOR
2 SOUTH BISCAYNE BOULEVARD
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DANIEL NEWMAN, ESQ.
DIRECT LINE: (305) 373-9467
DIRECT FACSIMILE: (305) 995-6387
EMAIL: dnewman@broadandcassel.com

July 7, 2009

VIA CERTIFIED MAIL

Howard Koslow
Sun Capital Healthcare, Inc.
999 Yamato Road, Third Floor
Boca Raton, Florida 33431

Re: *SEC v. Founding Partners Capital Management, et al.*
Case No. 2:09-cv-229 (M.D. Fla.)

Dear Mr. Koslow:

This letter refers to that certain Credit and Security Agreement entered into by and between Founding Partners Stable-Value Fund, L.P. ("Stable-Value") as "Lender" and Sun Capital Healthcare, Inc. ("SCHI"), as "Borrower" dated as of June 6, 2000 (the "Agreement). (All capitalized terms used but not defined herein shall have the meanings assigned to them in the Agreement.)

To the extent that Borrower has relied and continues to rely on any and all purported oral and written consents and waivers granted by Lender to Borrower, in my capacity as Receiver for Lender, under Section 14 of the Agreement, I hereby revoke, rescind, and withdraw any and all such purported waivers and/or consents, including but not limited to, any such purported consents and waivers that are (1) invalid under the provisions of Section 14 of the Agreement and (2) all purported waivers and/or consents that purport to permit SCHI to purchase accounts receivable that are not "Eligible Accounts" as defined in Section 1.37 of the Agreement, that purport to permit Borrower to engage in activities not contemplated by the Agreement, or (3) that are inconsistent with or in direct violation of the terms of the Agreement as properly amended pursuant to Section 14 of the Agreement.

In my capacity as receiver for Stable-Value, as well as for Founding Partners Capital Management Company; Founding Partners Stable-Value Fund, II, L.P.; Founding Partners Global Fund, Ltd.; Founding Partners Hybrid-Value Fund, L.P., and all other related entities (collectively, the "Founding Partners Entities"), I intend to enforce the terms of the Agreement as

set forth in the Agreement as executed and properly amended pursuant to Section 14 of the Agreement.

Sincerely,

BROAD AND CASSEL

Susan Barnes de Resendes
for

Daniel Newman, Esq.
Receiver for Founding Partners Capital Management Co.; Founding Partners Stable-Value Fund, L.P.; Founding Partners Stable-Value Fund, II, L.P.; Founding Partners Global Fund, Ltd.; and Founding Partners Hybrid-Value Fund, L.P.

DN:mm

BROAD AND CASSEL
ATTORNEYS AT LAW

ONE BISCAYNE TOWER, 21ST FLOOR
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DANIEL NEWMAN, ESQ.
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EMAIL: dnewman@broadandcassel.com

July 7, 2009

VIA CERTIFIED MAIL

Howard Koslow
Sun Capital, Inc.
999 Yamato Road, Third Floor
Boca Raton, Florida 33431

Re: *SEC v. Founding Partners Capital Management, et al.*
Case No. 2:09-cv-229 (M.D. Fla.)

Dear Mr. Koslow:

This letter refers to that certain Credit and Security Agreement entered into by and between Stable-Value as "Lender" and Sun Capital, Inc., as "Borrower" dated as of January 24, 2002 (the "Agreement"). (All capitalized terms used but not defined herein shall have the meanings assigned to them in the Agreement.)

To the extent that Borrower has relied and continues to rely on any and all purported oral and written consents and waivers granted by Lender to Borrower, in my capacity as Receiver for Lender, under Section 14 of the Agreement, I hereby revoke, rescind, and withdraw any and all such purported waivers and/or consents, including but not limited to, any such purported consents and waivers that are (1) invalid under the provisions of Section 14 of the Agreement and (2) all purported waivers and/or consents that purport to permit SCI to purchase accounts receivable that are not "Eligible Accounts" as defined in Section 1.39 of the Agreement, that purport to permit Borrower to engage in activities not contemplated by the Agreement, or (3) that are inconsistent with or in direct violation of the terms of the Agreement as properly amended pursuant to Section 14 of the Agreement.

In my capacity as receiver for Stable-Value, as well as for Founding Partners Capital Management Company; Founding Partners Stable-Value Fund, II, L.P.; Founding Partners Global Fund, Ltd.; Founding Partners Hybrid-Value Fund, L.P., and all other related entities (collectively, the "Founding Partners Entities"), I intend to enforce the terms of the Agreement as

set forth in the Agreement as executed and properly amended pursuant to Section 14 of the Agreement.

Sincerely,

BROAD AND CASSEL

Susan Barnes de Resendes
for

Daniel Newman, Esq.
Receiver for Founding Partners Capital Management Co.; Founding Partners Stable-Value Fund, L.P.; Founding Partners Stable-Value Fund, II, L.P.; Founding Partners Global Fund, Ltd.; and Founding Partners Hybrid-Value Fund, L.P.

DN:mm

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

CASE NO.: 2:09-CV-229-FTM-29SPC

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

FOUNDING PARTNERS CAPITAL MANAGEMENT CO., and WILLIAM L. GUNLICKS,

Defendants,

FOUNDING PARTNERS STABLE-VALUE FUND, L.P., FOUNDING PARTNERS STABLE-VALUE FUND II, L.P., FOUNDING PARTNERS GLOBAL FUND, LTD., and FOUNDING PARTNERS HYBRID-VALUE FUND, L.P.,

Relief Defendants.
_____/

DECLARATION OF DAVID J. SIEGEL

I, DAVID J. SIEGEL declare as follows:

1. I am over eighteen (18) years of age and have personal knowledge of the facts set forth in this Affidavit.

2. I am a certified public accountant and an associate director of Berkowitz Dick Pollack & Brant, Certified Public Accountants & Consultants, LLP, the court-appointed accountants to the Receiver in the above-referenced case.

3. In connection with my work in this matter, I have reviewed documents, met with Sun Capital Healthcare, Inc. ("SCHI") and Sun Capital, Inc. ("SCI") and their principals and employees and performed analyses of the information made available to me. The following testimony is based on my knowledge and the documents and information made available to me and my analysis thereof.

4. As of July 31, 2009, SCHI owes Founding Partners Stable-Value Fund, L.P. ("Stable-Value") $587,288, 910, which is comprised of unpaid principal and interest.

5. As of July 31, 2009, SCI owes Stable-Value $20,617,299, which is comprised of unpaid principal and interest.

6. As of July 31, 2009, SCHI and SCI owe Stable-Value $607,906,209, which is comprised of unpaid principal and interest,

7. SCHI has given me an accounts receivable aging report as of May 31, 2009 (the "SCHI Aging Report").

8. The SCHI Aging Report contains various categories of SCHI accounts receivable that are aged based on how long invoices have remained unpaid.

9. Sun has represented that the first category of accounts receivable on the SCHI Aging Report, designated as "Regular Accounts Receivable," include accounts receivable for medical services that were provided and billed to third-party payors, such as private insurance companies and governmental agencies, purchased by SCHI.

10. The total of Regular Accounts Receivable per the SCHI Aging Report is $176, 964,112.

11. In a meeting that I attended at the offices of SCHI on July 6, 2009, I learned that $120,146,000 of the amount designated as Regular Accounts Receivable is comprised of amounts represented to be "Working Capital Advances" to Promise Healthcare, Inc. ("Promise") affiliated healthcare entities.

12. I subtracted the total Working Capital Advances from the $176,964,112 of Regular Accounts Receivable on the SCHI Aging Report and determined that $56,818,112 of the Regular Accounts Receivable are factored accounts receivable purchased from healthcare entities (the "Factored AR").

13. The Factored AR equal approximately 10 percent of the outstanding Stable-Value loan balance from SCHI as of May 31, 2009.

14. The Factored AR include accounts receivable purchased from Sun related healthcare facilities.

15. The amount of Factored AR purchased from healthcare facilities not related to Sun represent approximately 1.7 percent of the outstanding Stable-Value loan balance from SCHI as of May 31, 2009.

16. The SCHI Aging Report includes $146,031,981 of Medicare/Medicaid Disproportionate Share accounts receivable (hereinafter "DSH Receivables").

17. DSH Receivables are determined by government agencies that reimburse healthcare entities for providing a disproportionate share of healthcare services to Medicaid uninsured and underinsured patients.

18. DSH Receivables payments are cost reimbursement payments and are not based on specific healthcare services provided.

19. Based on the 2009 rate of collections, DSH Receivables will not be fully collected for approximately 3 years.

20. The SCHI Aging Report shows a category of accounts receivable designated as WC, which are workers' compensation accounts receivable ("WC Accounts").

21. The WC Accounts total $52,178,855.

22. Based on 2009 rate of collection, the WC Accounts will not fully be collected for 26 years.

23. The total amount of accounts receivable included on the SCHI Aging Report is $375,174,948.

24. SCHI has not collected all factoring fees ("Factoring Fees") for factoring accounts receivable of healthcare entities.

25. Uncollected Factoring Fees of $77,258,353 are included as SCHI accounts receivable on the Sun combined balance sheet as of May 31, 2009.

26. SCI factors commercial accounts receivable of non-healthcare businesses.

27. I received from Sun an aging report for SCI (the "SCI Aging Report") that shows that $10,090,228 of total factored accounts receivable equal approximately 50 percent of the Stable-Value outstanding loan balance due from SCI as of May 31, 2009.

28. The Sun Combined Balance Sheet as of May 31, 2009, shows a total amount of accounts receivable for SCI of $40,625,196, which includes Accrued Fees of $898,708, Debit Balances in the Reserve Account of $17,732,669, AR of $844,217, Kanterman Partners of $3,687,491, and Symbio reserves of $7,371,913.

29. Approximately 25 percent of the total amount of total accounts receivable of $40,625,196 of SCI of are factored accounts receivable.

30. The Sun combined balance sheet for May 31, 2009, shows a total accounts receivable of $493,211,390.

31. The $493,211,390 of Accounts Receivable included on the Balance Sheet is comprised of $375,174,948 Accounts Receivable from the SCHI Aging Report, $77,258,353 of Uncollected Factoring Fees, $152,893 of "Legal Receivable per GL," and accounts receivable of SCI of $40,625,196.

32. The Sun Combined Balance Sheet dated May 31, 2009, list an asset "Due from Related Parties" of $77,151,027.

33. "Due from Related Parties" increased $21,555,807 during the five months ended May 31, 2009.

34. Sun represented to me that the amount in paragraph 32 represents amounts paid to related parties, including Promise and Success, and to purchase real estate for limited partnerships owned by the Sun Principals.

35. Sun used proceeds of the Stable-Value loans to purchase accounts receivables of bankrupt and insolvent healthcare entities.

36. SCI and SCHI have not paid interest to Stable-Value since December 31, 2008.

37. SCI and SCHI have not made any principal payments to Stable-Value.

38. There is no evidence of any interest being paid on intercompany loans and advances.

39. On June 16, 2009, I participated in a conference telephone call wherein Larry Leder, Executive Vice President and CFO of SCHI, and Secretary and Chief Financial Officer of Promise, said that Sun would cooperate to produce documents needed by the Receiver.

40. During the June 16 conference call, Larry Leder requested that the Receiver provide a list of documents to be provided by Sun.

41. On June 17, 2009, I prepared a list of categories of documents to be produced by Sun.

42. On July 1, 2009, I spoke to Larry Leder at approximately 1:45 PM, and I asked Larry if he knew why we had not received the documents that had been promised to the Receiver lawyers and that we expected per Sun Capital's representations in accordance with the list that the Receiver's attorneys had sent to him on June 17, 2009. Larry responded that (a) documents were not produced on July 1, 2009, because the documents would be given to me on July 2, 2009, at a meeting that we had previously scheduled; (b) when asked about the volume of the documents, Larry said that much of what we requested had already been produced to Founding Partners during the period from December 2008 to February 2009 and that I would not be provided with the documents that were previously produced to Founding Partners; (c) Sun would object to some of the documents that we had requested for legal reasons because his counsel so instructed him for reasons he would not explain; (d) he agreed

that I would be provided with the documents on July 2, 2009; (e) if there was anything he could not get for me by July 2, then he would send it to me on July 3, 2009; and (f) he confirmed our meeting time at the Sun Capital offices at 10:00 AM on July 2, 2009.

43. On July 2, 2009, when I arrived at Sun's offices, Larry Leder gave me a letter from his counsel dated July 2, 2009, to the Receiver's counsel and said that the letter explained he would only produce 10 of the 28 categories of documents that had been requested.

44. On July 6, 2009, when I returned to Sun's office, I received some documents from Larry Leder.

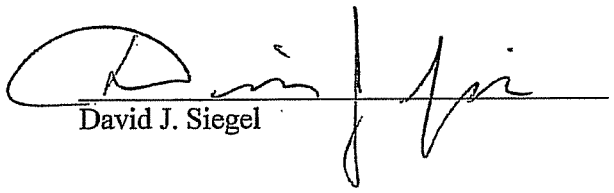
45. After our July 6, 2009, meeting, and on an almost daily basis thereafter, I pressed Larry Leder to give us the information requested on the June 17 list; however, Mr. Leder failed to provide all of the requested information

46. Mr. Leder had arranged for me to have partial and limited access to the lockbox account information on June 23, 2009, but has never provided full on-line access to all lockbox information despite my repeated requests.

47. As of approximately July 10, 2009, Mr. Leder stopped answering my telephone calls until after our meeting on July 19, 2009.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed on July 24, 2009.



David J. Siegel

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

CASE NO.: 2:09-CV-229-FTM-29SPC

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

FOUNDING PARTNERS CAPITAL MANAGEMENT CO., and WILLIAM L. GUNLICKS,

Defendants,

FOUNDING PARTNERS STABLE-VALUE FUND, L.P., FOUNDING PARTNERS STABLE-VALUE FUND II, L.P., FOUNDING PARTNERS GLOBAL FUND, LTD., and FOUNDING PARTNERS HYBRID-VALUE FUND, L.P.,

Relief Defendants.
_____/

RECEIVER'S DECLARATION IN OPPOSITION TO SUN CAPITAL, INC. AND SUN CAPITAL HEALTHCARE, INC.'S MOTION FOR TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION

1. My name is Daniel S. Newman. I am over 18 years of age and have knowledge of the facts set forth in this Declaration.

2. I am the Court-appointed Receiver over Founding Partners Capital Management Co., Founding Partners Stable-Value Fund, L.P., Founding Partners Stable-Value Fund II, L.P., Founding Partners Global Fund, Ltd., and Founding Partners Hybrid-Value Fund, L.P. (collectively "Founding Partners"). I was appointed Receiver over Founding Partners on May 20, 2009.

3. I am submitting this Declaration in support of the Receiver's Opposition to Sun Capital, Inc, and Sun Capital Healthcare, Inc.'s Motion for Temporary Restraining Order and Preliminary Injunction and Memorandum of Law.

4. Soon after my appointment, I was contacted by counsel for Sun Capital, Inc., Sun Capital Healthcare, Inc., and the hospitals under common control (collectively "Sun"). Sun's counsel requested a meeting, and we agreed to meet.

5. On May 27, 2009, my counsel and I met with Sun's counsel and its principals. At the outset, Sun's counsel requested that the meeting be deemed privileged settlement discussions. I indicated that I could not agree to keep the meeting confidential, among other reasons, due to my reporting duties to the Court. Sun's counsel indicated that they understood my position that they would continue the meeting without any anticipation that discussions would be treated as confidential or privileged.

6. During the meeting, Sun's counsel and its principals told us about the operations of Sun. At the meeting, Sun did not provide any documents to support the representations Sun was making.

7. In addition, (i) Sun expressed gratitude that I was willing to listen to Sun's side of the story and give Sun a chance to explain itself; (ii) Sun told me that the prior receiver and the SEC purportedly refused Sun that opportunity, and Sun claimed much unnecessary litigation was caused as a result; and (iii) Sun insisted that it had done nothing wrong, that the Promise and Success hospitals (owned by the Sun principals) were not operating at losses, and that there was no need for the Receiver to take any action against Sun or the Promise and Success facilities.

8. Sun insisted it would provide immediate, full, and complete voluntary disclosure so that the Receiver could see that Sun was telling the truth. On Sun's assurance that it was

dealing in good faith and with the hope of obtaining critical information quickly and without the necessity and expense of subpoenas and motion practice, I attempted to work with Sun to allow them the opportunity to demonstrate that allowing them to continue to utilize Founding Partners' collateral was in the best interests of the Receivership Estate and investors.

9. Despite the assurances and promises by Sun's counsel and Sun's principals, no information was provided for weeks, despite the requests made by my counsel that Sun live up to its assurances and promises of cooperation. In addition, despite what I told them at our meeting and what they agreed to, Sun insisted on pre-conditions, including that any provision of information be subject to privilege and confidentiality. Copies of correspondence concerning these discussions are attached hereto as Exhibit 1.

10. On June 4, 2009, my counsel told Sun's counsel that I had engaged an accounting firm and would like to have them meet the Sun principals and review their records as soon as possible. *See* Exhibit 2.

11. On June 8, 2009, my counsel again asked Sun's counsel for status on the documents. Sun's counsel responded that he was speaking with his clients that afternoon and would get "right back" to the Receiver. *See* Exhibit 3.

12. On June 10, 2009, Sun's counsel indicated he needed to draft an e-mail concerning how Sun would go forward with producing information. *See* Exhibit 4.

13. On June 11, 2009, Sun's counsel wrote to say that Sun would now begin to produce financial information, without any pre-conditions. *See* Exhibit 5. However, Sun still provided no information, except that Sun offered to provide some level of access to the lockbox accounts.

14. On June 16, 2009, I participated in a telephone call with counsel for Sun and the accountants that I retained. During that call, we discussed the documentation that my professionals wanted to review. Sun's counsel told us that Sun needed a written list of materials requested by me and the professionals working with me, at which point Sun would finally comply with its initial promise of full disclosure.

15. On June 17, 2009, my counsel sent Sun's counsel correspondence enclosing a list of documents, as requested by Sun's counsel the previous day. A copy of the transmittal e-mail is attached as Exhibit 6. Sun, however, still provided no documents in response to the requests.

16. On June 26, 2009, although Sun had provided virtually no information contrary to its promises, Sun filed a Renewed Motion to lift the stay in order to permit Sun to sue the Receiver. In Sun's Renewed Motion, Sun argued, among other things, that the Receiver had learned enough about Sun to enable to the Receiver to address Sun's Renewed Motion.

17. However, no documents were produced on July 1st, and as a result, my counsel wrote a letter to counsel for Sun conveying my disappointment with Sun's failure to live up to its promises. See Exhibit 7.

18. I was advised by my accountants that, on July 2, 2009, Sun finally produced some of the materials, and Sun told my accountants that the rest of the materials would be provided on July 6th. No explanation for this newest delay was given.

19. Because informal methods of seeking the information from Sun proved inadequate, as if that date, on July 2, 2009, my counsel issued subpoenas *duces tecum* and for depositions to Sun, pursuant to Fed. R. Civ. P. 30(b)(6). The depositions were scheduled for July 13, 2009. My counsel e-mailed a copy of the subpoenas to Sun's counsel and asked Sun's

counsel if he would accept service of the subpoenas. Sun's counsel never responded. I therefore arranged for Sun to be personally served with the subpoenas.

20. The letter accompanying the subpoenas expressed why it was necessary to issue subpoenas, and also urged Sun to voluntarily provide information, as previously promised. *See* Exhibit 8.

21. By July 7, 2009, Sun had still provided only a portion of the previously promised materials, contrary to the representations of Sun at the May 27 meeting and on the June 16 call, among others.

22. Sun's counsel indicated that they could not be ready for the depositions by the July 13th return date. My counsel agreed to accommodate Sun's concerns and agreed to extend the return date by one week, on the condition that Sun did not seek further extensions thereafter. In response to the concerns of Sun's counsel on the scope of the Rule 30(b)(6) depositions, which included historical information, my counsel agreed to focus solely on the present location of the funds and the existing status of Founding Partners' collateral.

23. Notwithstanding my counsel's offer to move the depositions and limit the areas of inquiry, on July 10, 2009, Sun moved to quash the subpoenas. The Motion was filed on a Friday evening. On Monday morning, before my counsel was able to provide a written response, Magistrate Judge Sheri Polster Chappell issued an Order on the Motion. The Order essentially granted Sun until August to comply with the Subpoenas.

24. Meanwhile, my counsel renewed efforts to persuade Sun to voluntarily provide the disclosure promised on May 27th and June 16th.

25. To that end, on July 7, 2009, my counsel wrote to Sun's counsel requesting the voluntary provision of information, including the status of collateral and Sun's plans to repay its debt. *See* Exhibit 9.

26. Also, on July 7, 2009, I wrote to Sun formally revoking any waivers or consents that may have been provided to Sun by the Receivership Entities prior to my appointment. *See* Composite Exhibit 10.

27. Later that same day, Sun's counsel stated that it would finally provide complete information and present a proposal for repayment of the debt, but insisted that the parties first enter into a formal "standstill agreement."

28. My counsel stated that it would consider entering into such a standstill agreement for a limited time, provided that Sun first withdraw its renewed motion to lift the stay.

29. On July 8, 2009, Sun's counsel provided its proposed standstill agreement. Among other things, Sun's proposed "standstill agreement" would have required me to forebear from taking any action against Sun for a period of 90 days, terminable on 15 days notice. Therefore, if I had entered into the standstill agreement, I would have agreed to severe restrictions on my ability to sue Sun or to exercise my rights to seize the Lockboxes under the Master Lockbox Agreements.

30. From July 9, 2009 to July 10, 2009, my counsel attempted to negotiate a far shorter standstill period and to obtain Sun's agreement that Sun would withdraw its Renewed Motion to lift the stay. Sun refused. My counsel and accountants were still unable to obtain the full, complete, and unhindered disclosure promised.

31. On July 14, 2009, I filed a lawsuit against Sun, and I submitted my limited opposition to Sun's Renewed Motion to lift the stay.

32. On July 15, 2009, my counsel wrote to Sun's counsel again requesting that Sun provide all the information it had promised and to provide a proposed plan for repayment of the debt. My counsel assured Sun's counsel that any proposed payment plan would be afforded the protections of the settlement privilege. *See* Exhibit 11.

33. On the evening of July 15, 2009, I exercised my right to seize the lockboxes.

34. The next morning, on July 16, 2009, my counsel wrote to Sun counsel reviewing the history of Sun's broken promises, delayed and incomplete provision of information, and refusal to provide a plan for repayment. *See* Exhibit 11.

35. Also in that letter, my counsel made it very clear that I would consider funding Sun to permit the hospitals to remain in operation, provided that Sun finally provide information needed to justify the use of Founding Partners' collateral, in order for me to comply with my duties as Receiver:

> It cannot come as a surprise to you that, after 90 days of Receivership, wherein you have failed to provide any current information about the hospitals that the Founding Partners Entities' loan proceeds are funding, that the Receiver, in fulfilling his obligations to the Court, would begin to take action to recover assets for the investors. Without current information from Sun that supports Sun's contention that Sun's operations are truly going concerns and that the hospitals receiving funds that are the Receiver's Collateral are viable entities, the Receiver has no choice but to begin collecting assets of the receivership estate for repayment to investors.
>
> Nonetheless, as I reiterated in our call and my e-mail last night, the Receiver wants a written proposal with supporting documentation to justify
>
> (a) any continuing funding of Sun operations,
>
> (b) Sun's use of the cash proceeds of the Collateral to fund related entities, and
>
> (c) the continued nonpayment of interest or principal.

> If, for example, Sun can provide specific current information showing the Sun hospitals are viable, going concerns and that continued funding of those hospitals with the Receiver's cash collateral will not diminish the collateral available to repay investors, the Receiver will consider such funding if sufficient current financial information supports such a decision on a hospital by hospital basis. This is not possible, however, without a written proposal to do so and without any current reporting or accounting to the Receiver of Sun's continued use of the Receiver's cash collateral.
>
> To the extent there is a critical need for financing today in order to fund the operations of any particular hospital, please provide us immediately with a request and supporting information so that the Receiver can understand the critical nature of the request and why the funding is in the best interests of the Receivership Estate. The Receiver will give immediate and serious consideration to any such request. I am available to you 24 hours a day to receive information and to counsel the Receiver.
>
> We are also available to meet with you immediately to discuss your funding requests and supporting information. If you wish to meet with us this afternoon, Friday, or over the weekend we will be available.
>
> If your clients take unilateral action without first availing themselves of these options, they will be responsible for any further impairment of the Collateral, including the precipitous closure of any Sun-related entity or facility.

See Exhibit 12.

36. On the morning of July 16, 2009, Sun's local counsel, Mr. Lawrence Heller, Esq., came to my offices. He stated that the Sun Principals had elected to immediately shut down all hospitals.

37. I explained to Mr. Heller the reasons for the seizure and my willingness to provide funding, if justified by information to be provided by Sun as being consistent with my Court-appointed duties.

38. In response to communications from Sun concerning threats that Sun would immediately shut down the hospitals and attempting to lay blame for this on my exercise of contractual rights, my counsel sent further correspondence to Sun's counsel detailing Sun's failures and, broken promises, but reiterating the Receiver's willingness to meet with Sun and to consider justified funding requests. *See* Composite Exhibit 13.

39. Later that day, Sun asked for a meeting to take place on Sunday, July 19, 2009. I agreed to meet with Sun and its counsel in Miami on Sunday morning. The day before, Sun insisted the meeting take place in Sun's Boca Raton office. I agreed.

40. The July 19th lasted approximately 9 hours. At Sun's insistence, I agreed the discussions would be covered by the settlement privilege.

41. At the meeting, among things, we received certain information from Sun and discussed events for the following week, including the receipt of additional information that Sun claimed would allow the Receiver to determine whether continuing to allow Sun to use Founding Partners collateral was prudent, in view of my Court-appointed duties.

42. Sun demanded that I release the lockboxes to again give them unfettered use of Founding Partners collateral. I would not agree to that.

43. As a result of the meeting, an agreement was reached to provide a framework for going forward. I agreed that I would instruct SunTrust Bank (which held the lockboxes) to permit Sun access to up to $14 million (the amount of money Sun claimed it needed for the week), provided that Sun provide the Receivership Estate with equivalent collateral in the form of a mortgage of one of its hospital properties. Sun agreed to this. Sun and I entered into a written funding agreement that day. *See* Exhibit 14.

44. The principal terms of the Agreement were that I would instruct SunTrust Bank to release up to $14 million to Sun, in exchange for a mortgage of equivalent value in a hospital property. Sun had to arrange for the mortgage within five days, *i.e.*, by July 24th. In addition, we agreed to meet on July 24, 2009 (today) to negotiate funding for the following week, and to meet a week later at which point Sun was expected to present a comprehensive 13 week budget as a basis for funding for those 13 weeks. *See* Exhibit 14.

45. At no time did Sun state the terms of the July 19th agreement were unfair or onerous.

46. As soon as the meeting ended, my counsel sent a copy of the July 19th agreement to counsel to SunTrust Bank and instructed SunTrust Bank to release up to $14 million to Sun, as agreed to under the July 19th agreement.

47. SunTrust Bank experienced difficulties in complying with the arrangement negotiated between Sun. My counsel spent the better part of July 20th and July 21st working with SunTrust Bank to ensure that Sun had access to the $14 million. To address these problems, on July 21, 2009, I contacted SunTrust's outside counsel in in-house counsel to discuss a more effective method to release funds to Sun. On July 22, 2009, I again spoke with outside and in-house counsel for SunTrust about setting up an account in the Receivership's name to receive lockbox funds that could then be wired to Sun's operating account.

48. On July 22, 2009, my counsel attempted to contact Sun's counsel, at the request of SunTrust, to see if they would agree to this procedure. Counsel for Sun did not contact the Receiver's counsel concerning this proposal. Despite this, I have spoken with SunTrust, obtained account documentation, and executed the paperwork necessary to establish the account to effectuate this process.

49. On the morning of July 21, 2009, Mr. Heller (Sun's local counsel) visited my office. He informed me that a TRO motion was filed in a lawsuit in Texas, which sought, among other things, immediate control of the lockboxes that I had already seized and from which I was permitting funding to Sun. I contacted the Texas attorney, informed him that I had just seized the lockboxes and that the TRO motion therefore should be withdrawn. Upon being informed that I had seized the lockboxes, the Texas attorney agreed to not to proceed on the TRO motion.

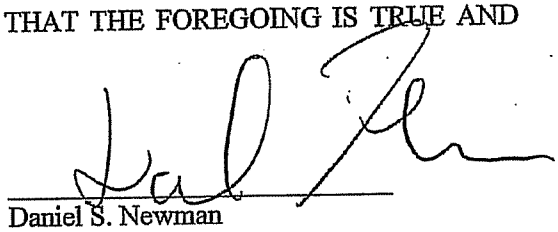
50. On July 22, 2009, Mr. Heller visited my office. He stated that Sun intended to file a motion for a TRO in an attempt to eliminate the Receiver's right to the lockboxes. When asked why Sun would file a TRO, Mr. Heller focused exclusively on the logistical difficulties experienced with SunTrust Bank on July 20th and July 21st. I explained to Mr. Heller the process I proposed to set up with SunTrust. I further explained to Mr. Heller that I would continue to work in good faith with Sun and that I believed a TRO motion would be in bad faith, given my efforts to work with Sun to evaluate future funding. Mr. Heller insisted that the lockboxes needed to be released. I would not agree to that, and I told him that I believed the mechanism I was setting up would eliminate any logistical difficulties in effectuating the July 19th agreement.

51. In the evening of July 22nd, Sun filed its Motion.

52. On July 23, 2009, my counsel wrote to Sun counsel to confirm the meeting for July 24th (today), as required under the July 19th agreement. Sun counsel agreed to meet via teleconference, at 12:30 p.m. The purpose of the conference is to discuss Sun's funding needs for the week, in accordance with the July 19th agreement.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed on July 24, 2009.



Daniel S. Newman

Jonathan Etra

From: Paparo, Vincenzo [vpaparo@proskauer.com]

Sent: Thursday, May 28, 2009 12:36 PM

To: Daniel Newman

Cc: Jonathan Etra; Lester Perling; Gold, Sarah S.; lheller@ghblaw.com; Levitan, Jeffrey W.; Aufiero, Susan; Berkowitz, Adam

Subject: Founding Partners/Sun

Daniel, it was a pleasure meeting you yesterday. We felt that the meeting was constructive and informative. Hopefully it is the beginning of a positive relationship as we attempt to resolve the various issues which now exist between FP and Sun. In order to avoid any doubt, this e mail will confirm that restructuring discussions will be co-ordinated by the undersigned and business calls or meetings will be arranged as necessary/requested.

As discussed yesterday, I would like to begin forwarding you requested information in your new capacity as receiver for Founding Partners. Accordingly, this is the first of a series of e mails you will be receiving from us today and tomorrow.

1. The Founding Partners attorneys at Mayer Brown involved in the failed restructuring were John Lawlor 312-701-7220 and Kristin M. Rylko (312) 701-7613. If you would like to see drafts of the proposed restructuring just let me know.

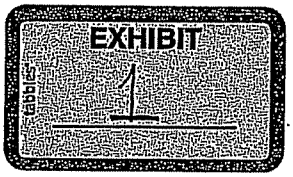
2. We will arrange online access to Sun's lockbox accounts through the SunTrust Lockbox Browser software. We need however the names of the individuals who will be authorized by the receiver in order to set up ID and Pass Codes as well as an email address for daily wire reports. Access to these accounts will allow you to see checks and related paperwork sent to the lockbox. All electronic transfers made to lockbox accounts can have a report emailed from SunTrust.

3. We would like to have a brief call with you today to answer your questions regarding the Bermuda entity set up by Mr. Gunlicks several years ago. Please let me know what time works best.

Finally, this e mail confirms that our communications with you continue to be in the context of settlement discussions.

****
To ensure compliance with requirements imposed by U.S. Treasury Regulations, Proskauer Rose LLP informs you that any U.S. tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

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immediately.

Jonathan Etra

From: Jonathan Etra
Sent: Thursday, May 28, 2009 5:01 PM
To: 'Paparo, Vincenzo'; Daniel Newman
Cc: Lester Perling; 'Gold, Sarah S.'; 'lheller@ghblaw.com'; 'Levitan, Jeffrey W.'; 'Aufiero, Susan'; 'Berkowitz, Adam'; Brenda Fradera
Subject: RE: Founding Partners/Sun
Attachments: BC.jpg

Vince,

I am responding to your email to the Receiver, Dan Newman.

We appreciate you and your clients coming to Miami to meet with us. We are grateful for the information you rovided at the meeting, and your offer to permit the Receiver unfettered access to the books and records of the Sun entities and the relevant hospitals. As we told you, we are in the process of engaging an accounting firm to analyze the relevant books and records. We hope to have that relationship in place shortly and have that professional in your offices soon. We also told you that the Receiver is not yet in a position to agree to any course of action concerning your clients.

Your e-mail makes two incorrect assertions that need to be corrected. I assume these were merely incorrect choices of words as opposed to statements that would be contrary to what was explicitly stated.

First, you write: "this e-mail confirms that our communications with you continue to be in the context of settlement discussions." Dan explicitly stated more than one time yesterday that as the Court-appointed Receiver he would not agree to keep information you or your clients provided confidential because he has reporting duties to the Court. He even cautioned you and your clients to be careful what they say because he could not agree to keep confidential the information gathered as part of his Court-appointed duties. You and your team acknowledged this at the meeting and before bringing your clients in after lunch.

Second, you state that the Receiver and your clients are engaged in "restructuring discussions." That was not exactly what took place. What happened is: your partner offered to meet with us to provide us information about your clients, we agreed to to meet, we met, and your clients provided information and offered unfettered access to their records. You wanted us to hear what your clients had to say in person and we agreed. As stated, we are thankful for the meeting, but that meeting was not for purpose of "Restructuring Discussions." While your team told us that the Sun entities are engaging in capitalization or restructuring efforts, Dan told you he is just getting up to speed on the facts and has no basis to know whether the Sun entities are doing so or whether the those efforts are in the best interest of the investors. I think it's better not to put any labels or characterizations on the meeting.

We hope you are still amenable to providing the documents and access you agreed to provide, and that we can continue in a constructive manner. In this regard, if there is some plan or documents that Sun possesses concerning how investors may get paid from a recapitalization or restructuring, we would welcome the opportunity to see those documents.

Again, thank you for your anticipated cooperation and we hope this clarifies the events of yesterday.

Thanks,

Jonathan

Jonathan Etra
OF COUNSEL
2 SOUTH BISCAYNE BLVD.
21ST FLOOR
MIAMI, FL 33131
TELEPHONE: 305.373.9400
CELL: 305.318.3396
FACSIMILE: 305.373.9443
BIO
DIRECT LINE: 305.373.9447
DIRECT FACSIMILE: 305.995.6403
E-MAIL: jetra@broadandcassel.com
www.broadandcassel.com

From: Paparo, Vincenzo [mailto:vpaparo@proskauer.com]
Sent: Thursday, May 28, 2009 12:36 PM
To: Daniel Newman
Cc: Jonathan Etra; Lester Perling; Gold, Sarah S.; lheller@ghblaw.com; Levitan, Jeffrey W.; Aufiero, Susan; Berkowitz, Adam
Subject: Founding Partners/Sun

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Jonathan Etra

From: Paparo, Vincenzo [vpaparo@proskauer.com]
Sent: Thursday, May 28, 2009 6:31 PM
To: Jonathan Etra; Daniel Newman
Cc: Lester Perling; Gold, Sarah S.; lheller@ghblaw.com; Levitan, Jeffrey W.; Aufiero, Susan; Berkowitz, Adam; Brenda Fradera
Subject: RE: Founding Partners/Sun

Jonathan, I think you should re-read my e mail.

Firstly, I did not type that we had restructuring discussions. As I am sure you will see upon re-reading my earlier e mail I merely point out that I will be the contact attorney (aka "the undersigned") for restructuring discussions. Indeed the entire sentence "offending sentence" is written using the future tense.

Secondly, it is appropriate that our interactions at this time be settlement discussions because while we had no objection to the receiver's concern that it needs to report to the court any such discussions, we did not agree and do not agree that any of our discussions can be be used for litigation purposes.

In any event, if do have restructuring discussions they will in fact be settlement discussions covered by all the protections such discussions generally have under applicable law. In my experience, attempts to re-characterize such discussions tend to be counter-productive and only hinder the efficient resolution of disputes. As you know, I offered yesterday to circulate a pre-negotiation agreement (after our meeting) but there seemed to be some reluctance in considering same. Consider this a renewed offer to circulate a simple drat pre-negotiation agreement for your consideration.

Finally, although I have not yet spoken with my client regarding your e mail, my belief is that we will proceed to provide the information discussed yesterday to the Receiver without prejudice in any way to both our clients rights.

Vince

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Sent: Thursday, May 28, 2009 5:01 PM
To: Paparo, Vincenzo; Daniel Newman
Cc: Lester Perling; Gold, Sarah S.; 'lheller@ghblaw.com'; Levitan, Jeffrey W.; Aufiero, Susan; Berkowitz, Adam; Brenda Fradera
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BIO
DIRECT LINE: 305.373.9447
DIRECT FACSIMILE: 305.995.6403
E-MAIL: jetra@broadandcassel.com

BROAD AND CASSEL
ATTORNEYS AT LAW

www.broadandcassel.com

From: Paparo, Vincenzo [mailto:vpaparo@proskauer.com]
Sent: Thursday, May 28, 2009 12:36 PM
To: Daniel Newman
Cc: Jonathan Etra; Lester Perling; Gold, Sarah S.; lheller@ghblaw.com; Levitan, Jeffrey W.; Aufiero, Susan;

Berkowitz, Adam
Subject: Founding Partners/Sun

Daniel, it was a pleasure meeting you yesterday. We felt that the meeting was constructive and informative. Hopefully it is the beginning of a positive relationship as we attempt to resolve the various issues which now exist between FP and Sun. In order to avoid any doubt, this e mail will confirm that restructuring discussions will be co-ordinated by the undersigned and business calls or meetings will be arranged as necessary/requested.

As discussed yesterday, I would like to begin forwarding you requested information in your new capacity as receiver for Founding Partners. Accordingly, this is the first of a series of e mails you will be receiving from us today and tomorrow.

1. The Founding Partners attorneys at Mayer Brown involved in the failed restructuring were John Lawlor 312-701-7220 and Kristin M. Rylko (312) 701-7613. If you would like to see drafts of the proposed restructuring just let me know.

2. We will arrange online access to Sun's lockbox accounts through the SunTrust Lockbox Browser software. We need however the names of the individuals who will be authorized by the receiver in order to set up ID and Pass Codes as well as an email address for daily wire reports. Access to these accounts will allow you to see checks and related paperwork sent to the lockbox. All electronic transfers made to lockbox accounts can have a report emailed from SunTrust.

3. We would like to have a brief call with you today to answer your questions regarding the Bermuda entity set up by Mr. Gunlicks several years ago. Please let me know what time works best.

Finally, this e mail confirms that our communications with you continue to be in the context of settlement discussions.

****
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Jonathan Etra

From: Paparo, Vincenzo [vpaparo@proskauer.com]
Sent: Monday, June 01, 2009 4:34 PM
To: Jonathan Etra
Cc: Gold, Sarah S.
Subject: RE: Reveiver and Sun

Jonathan, can you do a call with Sarah and myself around 530pm?

Vincenzo Paparo | PROSKAUER ROSE LLP
Member of the Firm
1585 Broadway | New York, New York 10036-8299
V: 212.969.3125 | F: 212.969.2900 | C: 973.454.8192
vpaparo@proskauer.com | www.proskauer.com

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Jonathan Etra

From: Jonathan Etra
Sent: Thursday, May 28, 2009 7:25 PM
To: 'Paparo, Vincenzo'; Daniel Newman
Cc: Lester Perling; 'Gold, Sarah S.'; 'lheller@ghblaw.com'; 'Levitan, Jeffrey W.'; 'Aufiero, Susan'; 'Berkowitz, Adam'; Brenda Fradera
Subject: RE: Founding Partners/Sun

Vince,

The Receiver's position remains the same.

Your clients are providing information to the Receiver voluntarily. There are no strings attached. The Receiver can use your clients' information for any purpose. Your clients, of course, are free to use the Receiver's comments for any purposes.

In light of the Receiver's duties to the Court (as explained), that is how we must function.

Indeed, your clients invited the Receiver's team to inspect their records. Of necessity, that information has to be provided without caveats.

On behalf of the Receiver, again, we thank you and your clients for providing information to us, and we look forward to obtaining and reviewing your clients' information. We will be in touch when we have the accounting firm retained.

Thank you.

Jonathan

Jonathan Etra
OF COUNSEL
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21ST FLOOR
MIAMI, FL 33131
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E-MAIL: jetra@broadandcassel.com

BROAD AND CASSEL
ATTORNEYS AT LAW

www.broadandcassel.com

From: Paparo, Vincenzo [mailto:vpaparo@proskauer.com]
Sent: Thursday, May 28, 2009 6:31 PM

To: Jonathan Etra; Daniel Newman
Cc: Lester Perling; Gold, Sarah S.; lheller@ghblaw.com; Levitan, Jeffrey W.; Aufiero, Susan; Berkowitz, Adam; Brenda Fradera
Subject: RE: Founding Partners/Sun

Jonathan, I think you should re-read my e mail.

Firstly, I did not type that we had restructuring discussions. As I am sure you will see upon re-reading my earlier e mail I merely point out that I will be the contact attorney (aka "the undersigned") for restructuring discussions. Indeed the entire sentence "offending sentence" is written using the future tense.

Secondly, it is appropriate that our interactions at this time be settlement discussions because while we had no objection to the receiver's concern that it needs to report to the court any such discussions, we did not agree and do not agree that any of our discussions can be be used for litigation purposes.

In any event, if do have restructuring discussions they will in fact be settlement discussions covered by all the protections such discussions generally have under applicable law. In my experience, attempts to re-characterize such discussions tend to be counter-productive and only hinder the efficient resolution of disputes. As you know, I offered yesterday to circulate a pre-negotiation agreement (after our meeting) but there seemed to be some reluctance in considering same. Consider this a renewed offer to circulate a simple drat pre-negotiation agreement for your consideration.

Finally, although I have not yet spoken with my client regarding your e mail, my belief is that we will proceed to provide the information discussed yesterday to the Receiver without prejudice in any way to both our clients rights.

Vince

From: Jonathan Etra [mailto:jetra@broadandcassel.com]
Sent: Thursday, May 28, 2009 5:01 PM
To: Paparo, Vincenzo; Daniel Newman
Cc: Lester Perling; Gold, Sarah S.; 'lheller@ghblaw.com'; Levitan, Jeffrey W.; Aufiero, Susan; Berkowitz, Adam; Brenda Fradera
Subject: RE: Founding Partners/Sun

Vince,

I am responding to your email to the Receiver, Dan Newman.

We appreciate you and your clients coming to Miami to meet with us. We are grateful for the information you rovided at the meeting, and your offer to permit the Receiver unfettered access to the books and records of the Sun entities and the relevant hospitals. As we told you, we are in the process of engaging an accounting firm to analyze the relevant books and records. We hope to have that relationship in place shortly and have that professional in your offices soon. We also told you that the Receiver is not yet in a position to agree to any course of action concerning your clients.

Your e-mail makes two incorrect assertions that need to be corrected. I assume these were merely incorrect choices of words as opposed to statements that would be contrary to what was explicitly stated.

First, you write: "this e-mail confirms that our communications with you continue to be in the context of settlement discussions." Dan explicitly stated more than one time yesterday that as the Court-appointed Receiver he would not agree to keep information you or your clients provided confidential because he has reporting duties to the Court. He even cautioned you and your clients to be careful what they say because he could not agree to

keep confidential the information gathered as part of his Court-appointed duties. You and your team acknowledged this at the meeting and before bringing your clients in after lunch.

Second, you state that the Receiver and your clients are engaged in "restructuring discussions." That was not exactly what took place. What happened is: your partner offered to meet with us to provide us information about your clients, we agreed to to meet, we met, and your clients provided information and offered unfettered access to their records. You wanted us to hear what your clients had to say in person and we agreed. As stated, we are thankful for the meeting, but that meeting was not for purpose of "Restructuring Discussions." While your team told us that the Sun entities are engaging in capitalization or restructuring efforts, Dan told you he is just getting up to speed on the facts and has no basis to know whether the Sun entities are doing so or whether the those efforts are in the best interest of the investors. I think it's better not to put any labels or characterizations on the meeting.

We hope you are still amenable to providing the documents and access you agreed to provide, and that we can continue in a constructive manner. In this regard, if there is some plan or documents that Sun possesses concerning how investors may get paid from a recapitalization or restructuring, we would welcome the opportunity to see those documents.

Again, thank you for your anticipated cooperation and we hope this clarifies the events of yesterday.

Thanks,

Jonathan

Jonathan Etra
OF COUNSEL
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Sent: Thursday, May 28, 2009 12:36 PM
To: Daniel Newman
Cc: Jonathan Etra; Lester Perling; Gold, Sarah S.; lheller@ghblaw.com; Levitan, Jeffrey W.; Aufiero, Susan; Berkowitz, Adam
Subject: Founding Partners/Sun

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SÃO PAULO
WASHINGTON

Vincenzo Paparo
Member of the Firm

Direct Dial 212.969.3125
vpaparo@proskauer.com

May 29, 2009

Via Email (.pdf) and Federal Express

Jonathan Etra
Of Counsel
2 South Biscayne Blvd.
21st Floor
Miami, FL 33131

Re: Promise Healthcare

Dear Mr. Etra:

I write in further response to the two emails you sent yesterday. I think it is essential, if we are to try to work together, to get the ground rules established at the outset. We have evidently had a misunderstanding about what the nature of our interactions will be and we do need to get that resolved before we go any further.

Without belaboring the point, let me just state that our understanding of the meeting we had with the receiver and our clients, as a result of the preliminary "lawyer's meeting" we had with you beforehand, was that the receiver was uncomfortable having a traditional settlement meeting (with full confidentiality) because he said he has reporting obligations to the court. He did, however, also say we would not find the information quoted in a litigation. Thus, we understood there was a carveout to the usual settlement discussions for reporting to the court. At no time did you or the receiver state that the information provided could be used "for any purpose". Indeed, to the contrary, you said we would not find it quoted in a subsequent litigation. In any event, it is evident that on a going forward basis we need to clarify the relationship.

First, as we advised you, we are prepared to deal with you as the representative of our lender. Both sides have rights under the agreements which could either be litigated or resolved. As we explained, we have claims against the lender, including for breach of the funding obligations under the contracts. We explained that we are willing (and prefer) to set those claims aside, provide access to financial information to which a lender would be entitled had there been no breaches, and try to reach a fair resolution of the situation for both sides. There are also outstanding default notices sent by the prior representative of the lender which need to be dealt

with if we are going to try to cooperate with a view towards resolving, rather than litigating, our respective grievances.

As we further mentioned, in order to do the above, we need to enter into a standstill. Understandably, the receiver said he was not in a position to enter into such an agreement at that time. Now, however, it appears that the receiver's position is he will never enter into any such agreement with Sun but rather believes that Sun should just proceed to give all requested information "voluntarily" and without "any strings". That is not acceptable. Mr. Newman is the Founding Partner receiver, he is not a receiver over the Sun entities. Sun is dealing with Mr. Newman, and with you as his counsel, on the basis that you are the representative of Sun's lender.

Accordingly, we are not able to provide you with the financial information we discussed on Wednesday unless you are in a position to, and willing to i) provide assurances regarding confidentiality, ii) enter into a legal frame work within which the parties can conduct frank and open discussions without prejudice to their legal rights and iii) enter into a non disclosure agreement in order to gain access to certain requested documents

Further, if you are not able to do so, we need to understand the reason. Is it the receiver's position that he cannot enter into traditional lender-borrower agreements, such as a standstill with Sun because he is a receiver or because he simply does not want to do so? If it is the former, we do not believe that the receiver is constrained from acting, vis-a-vis the Sun entities, as the representative of the lender and from dealing with the Sun entities as borrowers under the loan agreements. If this is the problem, perhaps we should return to Judge Steele for clarification of the receiver's duties and obligations. . However, if it is the receiver's position that he simply does not wish to enter into any standstill of litigation or other agreements traditional while engaging in settlement or workout activities, and to receive financial information from Sun under such a construct, with a view towards determining if the matter can first be resolved, well then we will understand that he wants to go the litigation route and can proceed accordingly.

These issues are of crucial importance and we need a clear understanding of the receiver's position as soon as possible. In fact, I called you this morning to discuss these issues with you but have not heard back from you and thus thought it best to send this letter. We are hopeful that these issues can be worked out and we can proceed in the fashion we outlined to you on

Wednesday so that we can at least determine if this matter can be resolved short of litigation which I think we all expressed would, if possible, be desirable for all concerned.

Very truly yours,

Vincenzo Paparo

cc: Sarah S. Gold, Esq.

Jonathan Etra

From: Jonathan Etra
Sent: Thursday, June 04, 2009 12:18 PM
To: 'Paparo, Vincenzo'
Cc: 'Gold, Sarah S.'
Subject: RE: Reveiver and Sun

We have engaged an accounting firm and would like to have them meet your clients and review their records as soon as possible.

Please call at your earliest convenience to discuss this, and the issues discuss in our last call.

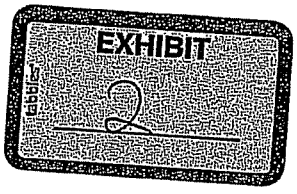
If I am not at my desk, please call my cell 305-318-3396.

Jonathan Etra
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From: Paparo, Vincenzo [mailto:vpaparo@proskauer.com]
Sent: Wednesday, June 03, 2009 10:03 AM
To: Jonathan Etra
Cc: Gold, Sarah S.
Subject: RE: Reveiver and Sun

Any update?

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1585 Broadway | New York, New York 10036-8299
V: 212.969.3125 | F: 212.969.2900 | C: 973.454.8192
vpaparo@proskauer.com | www.proskauer.com



From: Jonathan Etra [mailto:jetra@broadandcassel.com]
Sent: Monday, June 01, 2009 4:35 PM
To: Paparo, Vincenzo
Cc: Gold, Sarah S.
Subject: RE: Reveiver and Sun

sure

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From: Paparo, Vincenzo [mailto:vpaparo@proskauer.com]
Sent: Monday, June 01, 2009 4:34 PM
To: Jonathan Etra
Cc: Gold, Sarah S.
Subject: RE: Reveiver and Sun

Jonathan, can you do a call with Sarah and myself around 530pm?

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Jonathan Etra

From: Paparo, Vincenzo [vpaparo@proskauer.com]
Sent: Monday, June 08, 2009 1:49 PM
To: Jonathan Etra
Cc: Gold, Sarah S.; Daniel Newman
Subject: RE: Reveiver and Sun

We are speaking with the clients this afternoon and will get right back to you. They were traveling last Friday.

Vincenzo Paparo | PROSKAUER ROSE LLP
Member of the Firm
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vpaparo@proskauer.com | www.proskauer.com

From: Jonathan Etra [mailto:jetra@broadandcassel.com]
Sent: Monday, June 08, 2009 1:15 PM
To: Paparo, Vincenzo
Cc: Gold, Sarah S.; Daniel Newman
Subject: RE: Reveiver and Sun

Vince and Sarah,

Where do we stand?

Our accountants are ready to go to Sun to review their records.

Will they be allowed in?

Jonathan

Jonathan Etra
Of Counsel
2 South Biscayne Blvd.
21st Floor
Miami, FL 33131
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EXHIBIT 3

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Jonathan Etra

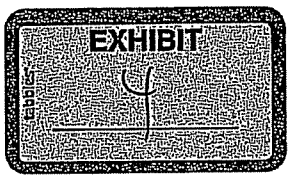
From: Paparo, Vincenzo [vpaparo@proskauer.com]
Sent: Wednesday, June 10, 2009 3:35 PM
To: Jonathan Etra

I need to draft the e mail we discussed but I have been tied up all day in meetings and on calls. I will try to get you the email confirming how we will go forward with information exchanges this evening or by tomorrow morning. Thanks

Vincenzo Paparo | PROSKAUER ROSE LLP
Member of the Firm
1585 Broadway | New York, New York 10036-8299
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Jonathan Etra

From: Paparo, Vincenzo [vpaparo@proskauer.com]
Sent: Thursday, June 11, 2009 1:40 PM
To: Jonathan Etra
Cc: Gold, Sarah S.; Aufiero, Susan
Subject: Sun/Financial Information
Importance: High

Jonathan, this writing is intended to memorialize our recent conversations. By your affirmative e-mail response, please confirm your acknowledgement that any and all financial information provided by the Sun Capital entities is without prejudice to their rights and remedies. In turn, the receiver's receipt of such financial information is also without prejudice to his rights and remedies. Said information will be provided despite the fact that the Sun Capital entities have claims against the Founding Partners lenders and that the Founding Partners lenders have defaulted on their obligations under their loans to the Sun Capital entities. Finally, this writing shall confirm that the information being provided is being done so voluntarily and the Sun Capital entities may cease cooperating at any time for any reason.

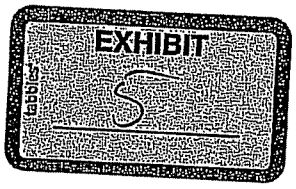
Following receipt and review by the receiver and its accountants of that financial information, we can discuss follow up meetings with Sun Capital management to answer any questions they may arise. In the meantime, we await from you the names of the individuals who are to be given SunTrust monitoring access to all incoming lock box deposits and electronic transfers from third party payors. Monitoring access can occur as soon as said information is provided.

Please call if you have any questions or concerns. Vince

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V: 212.969.3125 | F: 212.969.2900 | C: 973.454.8192
vpaparo@proskauer.com | www.proskauer.com

****
To ensure compliance with requirements imposed by U.S. Treasury Regulations, Proskauer Rose LLP informs you that any U.S. tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

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Jonathan Etra

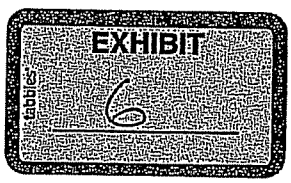
From: Jonathan Etra
Sent: Wednesday, June 17, 2009 3:49 PM
To: 'Paparo, Vincenzo'
Subject: Document request
Attachments: Request for Documents from Sun Capital Inc.pdf

Vince,

Pursuant to the conference yesterday, attached is our request for access to documents.

Jonathan

Jonathan Etra
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Jonathan Etra

From: Jonathan Etra
Sent: Wednesday, July 01, 2009 3:20 PM
To: 'Paparo, Vincenzo'
Subject: Sun

Vince,

I am writing to follow up on your call to me on Monday. You stated that Sun would *not* produce much of the materials the Receiver had requested. You also indicated that Sun would produce some materials, including Focus reports and back up, on Wednesday, *i.e.*, today. As you acknowledged, the reason for your call was that you had learned that the Receiver told your local counsel that the Receiver was disappointed with Sun's failure to provide the information Sun had promised to provide.

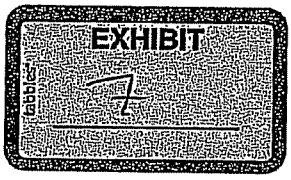
Today I was advised by one of the Receiver's accountants, Mr. David Seigel, that Mr. Leder told Mr. Siegel that Sun would *not* produce much of the materials requested by the Reciever. As to the Focus reports and related information, Mr. Leder stated that it would be provided, not today, but tomorrow to Mr. Siegel at a meeting in Sun's offices. Mr. Leder also told Mr. Siegel that the Receiver's accountants could ask any questions they may have at the meeting tomorrow, and that Mr. Leder would be happy to provide that information. Mr. Leder, as noted, also refused to provide much of the materials requested by the Receiver and said that they objected to some of the documents that we have requested for legal reasons that he either could not or would not explain.

Vince, we are disapointed that Sun appears determined to limit disclosure. This is not consistent with the immediate and full disclosure promised by Sun at the May 27th meeting in Miami or the June 16th conference call. Sun had promised complete and immediate disclosure, but the disclosure has been delayed and apparently will be limited.

I urge you and your clients to provide immediate and complete disclosure to the Receiver, and hope this happens tomorrow.

Jonathan

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July 2, 2009

VIA E-MAIL (vpaparo@proskauer.com)

Vincenzo Paparo, Esq.
Proskauer Rose, LLP
1585 Broadway
New York, NY 10036

Re: *United States v. Founding Partners Capital Management, et al.*
Case No. 2:09-cv-229 (M.D. Fla.)

Dear Vince:

When you and your clients, Sun Capital, Inc.; Sun Capital Healthcare, Inc.; Promise Healthcare, Inc. ("Promise"); and Success Healthcare, LLC ("Success") (collectively "Sun"), met with Receiver Dan Newman in Miami on May 27, Sun made numerous representations concerning its desire to cooperate with the Receiver and immediately provide information. Among other things (i) Sun expressed gratitude that the Receiver was willing to listen to its side of the story and give Sun a chance to explain itself; (ii) Sun represented repeatedly that the prior Receiver and the SEC purportedly refused Sun that opportunity, and Sun claimed much unnecessary litigation was caused as a result; and (iii) Sun insisted that it had done nothing wrong, that the Promise and Success Hospitals were not operating at losses, and that there was no need for the Receiver to take any action against Sun or the Promise and Success facilities. Finally--and most importantly--to substantiate all of Sun's assertions, Sun insisted it would provide immediate, full, and complete voluntary disclosure so that the Receiver could see that Sun was telling the truth.

Peter Baronoff, Howard Koslow, and Lawrence Leder looked the Receiver in the eye and assured him that they had nothing to hide and that anything the Receiver wanted to know about Sun, Promise, and Success and their dealings with Mr. Gunlicks and Founding Partners would be provided voluntarily and immediately.

On Sun's assurance that it was dealing in good faith and with the hope of obtaining critical information quickly and without the necessity and expense of subpoenas and motion practice, the Receiver gave Sun the benefit of the doubt.

Immediately after the May 27 meeting, the Receiver asked Sun for the materials Sun had promised, which included Focus Reports. Nothing materialized. Instead, Sun then sought to

EXHIBIT

impose pre-conditions and stipulations, simply for providing the materials Sun promised to provide on May 27.

On June 16, 2009, in a call with the Receiver (with one of the Receiver's accountants in your law office), you told the Receiver that Sun needed a list of materials requested by Receiver, at which point Sun would finally comply with its initial promise of disclosure. The Receiver provided you with a list, but, to date, Sun has not produced the materials. A month after our initial meeting, we still have not received any of the documents requested, except access to the lockbox bank accounts. [1]

In a voice mail message last week, you stated that Sun had determined it would provide the Receiver with only a small fraction of the promised materials, contrary to the representations of Sun at the May 27 meeting and the June 16 call. Thereafter, in a call between one of our accountants and Mr. Leder, our accountant asked when the Receiver would begin receiving materials from Sun. Mr. Leder responded that this was a matter to be discussed between counsel. That is not the kind of cooperation Sun promised.

For all these reasons, on June 29, the Receiver expressed his disappointment in Sun's lack of disclosure, in a conversation with Sun's local counsel, Mr. Lawrence Heller. Mr. Heller apparently relayed the Receiver's disappointment in Sun to you, prompting you to call me on that day. You told me Sun expected to provide a package of materials by Wednesday (July 1), but you still refused to commit to full disclosure to permit the Receiver to obtain necessary information on the use of investor funds by Sun. No materials were provided on July 1. The Receiver's accountants were then told by Sun that they would receive documents upon meeting with Sun employees on July 2, 2009. Again, no substantial documents were received on July 2, 2009, and instead the Receiver's accountants were told documents would be given on Monday, July 6, 2009, with no reason why documents were not provided as promised.

While we hope Sun will provide materials on Monday, the Receiver simply cannot rely on Sun's representations alone. Immediate, complete, and unhindered disclosure from Sun is required. With more than $500 million in investor funds at issue—and in the face of delay and broken promises since the Receiver's appointment—Sun has left the Receiver with no alternative but to supplement his efforts by issuing subpoenas to obtain the information he must have.

---

[1] Sun suggested that Sun might release some materials relating to Cain Brothers, the investment banking firm retained by Sun/Promise/Success to obtain refinancing or recapitalization; but Sun has made that release dependent on the Receiver's agreeing to an onerous Non-Disclosure Agreement, which, for which reasons I have explained to you many times, is something the Receiver will not be able to agree to in light of his duties to the Court and the investors. Even if the Receiver could agree to these conditions, based on Sun's conduct to date, the Receiver has no assurance that Sun will be any more forthcoming on materials relating to Cain Brothers.

Accordingly, enclosed are copies of subpoenas directed to Sun Capital, Inc., Sun Capital Healthcare, Inc., Promise Healthcare, Inc., and Success Healthcare, LLC. Based on your representation of these clients, I assume you will accept service on their behalf. Please confirm this fact tomorrow as I know you carry a blackberry and are available continuously. If I do not hear from you tomorrow, we will assume you are not authorized to accept service, and we will proceed to serve your clients directly.

Although the Receiver is issuing these subpoenas, he remains optimistic that Sun will fulfill its promises voluntarily. Further, as you will notice the subpoenas call for testimony of an individual with knowledge of certain facts represented to us by you and Sun. The Receiver needs this information in sworn form to carry out his duties.

Finally, Susan Barnes de Resendiz, Esq., of our firm will be taking the lead on matters relating to Sun, Promise, Success, and Messrs. Baronoff, Koslow, and Leder. Please direct all communications concerning these subpoenas to Ms. de Resendiz, of our firm. Her telephone number is 305.373.9443, and her email address is sderesendiz@broadandcassel.com.

Very truly yours,

BROAD AND CASSEL

Jonathan Etra

cc: Sarah Gold, Esq.
Daniel S. Newman, Esq.
Susan Barnes de Resendiz, Esq.

Enclosures

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July 7, 2009

VIA EMAIL AND U.S. MAIL

Vincenzo Paparo, Esq.
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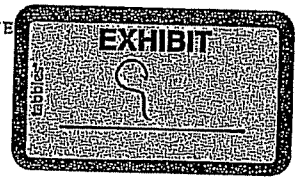
Re: *SEC v. Founding Partners Capital Management, et al.*
Case No. 2:09-cv-229 (M.D. Fla.)

Dear Vince:

The purpose of my letter is to request your clients' intentions with regard to (i) that certain Credit and Security Agreement entered into by and between Founding Partners Stable-Value Fund, L.P. ("Stable-Value"), as "Lender" and Sun Capital Healthcare, Inc. ("SCHI"), as "Borrower" as of June 6, 2000 (the "SCHI Agreement), and (ii) that certain Credit and Security Agreement entered into by and between Stable-Value as "Lender" and Sun Capital, Inc., as "Borrower" as of January 24, 2002 (the "SCI Agreement") (collectively, the "Agreements"). (All capitalized terms used but not defined herein shall have the meanings assigned to them in the SCHI Agreement or the SCI Agreement.)

The Initial Receiver's letters on behalf of Stable-Value to your clients dated April 29, 2009, declared the SCHI Agreement and the SCI Agreement in default and demanded payment thereon. Jonathan and the Receiver have told me that you have a proposal to remedy these defaults. I would appreciate your providing me on or before Friday, July 10, 2009 (1) a detailed written plan for repayment of the accrued and unpaid interest due under the Agreements as well as for the resumption of monthly interest payments as required by Section 4.1 of the Agreements and when those repayments and payments will be made; and (2) written details and supporting documentation of your clients' plan to insure that the Collateral provided for in the Agreements will be no less than it was on the date of the appointment of the first Receiver and that there will be sufficient Collateral to repay all principal, interest, and any other amounts due at the maturity of the Agreements.

In addition, please also provide, as part of the above-referenced documentation, a detailed written plan for repayment of all principal, accrued and unpaid interest, and any other amounts due under that certain Loan and Security Agreement entered into between Stable-Value and HLP Properties of Port Arthur, LLC, as of June 28, 2006, as amended (the "HLP Agreement"). As you know, the Maturity Date, as defined in the HLP Agreement and the related Secured



Promissory Note, has now passed, and all principal, accrued and unpaid interest, and any other amounts required to be paid to Lender pursuant to the HLP Agreement are now due.

To the extent that your clients have received any other loans, advances, or investments of funds from Founding Partners, its related entities, or its principals, please provide the same information with regard to those loans, advances, or investments as requested for the Agreements in paragraph two of this letter.

Thank you for your attention to this matter. I look forward to your response to these requests, which we consider vital to the Receiver's ultimate course in this case.

Sincerely,

BROAD AND CASSEL

Susan Barnes de Resendiz

SB:mm

cc: Daniel Newman, Esq.
Jonathan Etra, Esq.
Michael Magidson, Esq.

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EMAIL: dnewman@broadandcassel.com

July 7, 2009

VIA CERTIFIED MAIL

Howard Koslow
Sun Capital Healthcare, Inc.
999 Yamato Road, Third Floor
Boca Raton, Florida 33431

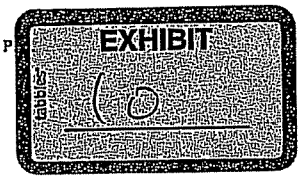
Re: *SEC v. Founding Partners Capital Management, et al.*
Case No. 2:09-cv-229 (M.D. Fla.)

Dear Mr. Koslow:

This letter refers to that certain Credit and Security Agreement entered into by and between Founding Partners Stable-Value Fund, L.P. ("Stable-Value") as "Lender" and Sun Capital Healthcare, Inc. ("SCHI"), as "Borrower" dated as of June 6, 2000 (the "Agreement). (All capitalized terms used but not defined herein shall have the meanings assigned to them in the Agreement.)

To the extent that Borrower has relied and continues to rely on any and all purported oral and written consents and waivers granted by Lender to Borrower, in my capacity as Receiver for Lender, under Section 14 of the Agreement, I hereby revoke, rescind, and withdraw any and all such purported waivers and/or consents, including but not limited to, any such purported consents and waivers that are (1) invalid under the provisions of Section 14 of the Agreement and (2) all purported waivers and/or consents that purport to permit SCHI to purchase accounts receivable that are not "Eligible Accounts" as defined in Section 1.37 of the Agreement, that purport to permit Borrower to engage in activities not contemplated by the Agreement, or (3) that are inconsistent with or in direct violation of the terms of the Agreement as properly amended pursuant to Section 14 of the Agreement.

In my capacity as receiver for Stable-Value, as well as for Founding Partners Capital Management Company; Founding Partners Stable-Value Fund, II, L.P.; Founding Partners Global Fund, Ltd.; Founding Partners Hybrid-Value Fund, L.P., and all other related entities (collectively, the "Founding Partners Entities"), I intend to enforce the terms of the Agreement as



set forth in the Agreement as executed and properly amended pursuant to Section 14 of the Agreement.

Sincerely,

BROAD AND CASSEL

Susan Barnes de Rescindes
for

Daniel Newman, Esq.
Receiver for Founding Partners Capital Management Co.; Founding Partners Stable-Value Fund, L.P.; Founding Partners Stable-Value Fund, II, L.P.; Founding Partners Global Fund, Ltd.; and Founding Partners Hybrid-Value Fund, L.P.

DN:mm

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EMAIL: dnewman@broadandcassel.com

July 7, 2009

VIA CERTIFIED MAIL

Howard Koslow
Sun Capital, Inc.
999 Yamato Road, Third Floor
Boca Raton, Florida 33431

Re: *SEC v. Founding Partners Capital Management, et al.*
Case No. 2:09-cv-229 (M.D. Fla.)

Dear Mr. Koslow:

This letter refers to that certain Credit and Security Agreement entered into by and between Stable-Value as "Lender" and Sun Capital, Inc., as "Borrower" dated as of January 24, 2002 (the "Agreement"). (All capitalized terms used but not defined herein shall have the meanings assigned to them in the Agreement.)

To the extent that Borrower has relied and continues to rely on any and all purported oral and written consents and waivers granted by Lender to Borrower, in my capacity as Receiver for Lender, under Section 14 of the Agreement, I hereby revoke, rescind, and withdraw any and all such purported waivers and/or consents, including but not limited to, any such purported consents and waivers that are (1) invalid under the provisions of Section 14 of the Agreement and (2) all purported waivers and/or consents that purport to permit SCI to purchase accounts receivable that are not "Eligible Accounts" as defined in Section 1.39 of the Agreement, that purport to permit Borrower to engage in activities not contemplated by the Agreement, or (3) that are inconsistent with or in direct violation of the terms of the Agreement as properly amended pursuant to Section 14 of the Agreement.

In my capacity as receiver for Stable-Value, as well as for Founding Partners Capital Management Company; Founding Partners Stable-Value Fund, II, L.P.; Founding Partners Global Fund, Ltd.; Founding Partners Hybrid-Value Fund, L.P., and all other related entities (collectively, the "Founding Partners Entities"), I intend to enforce the terms of the Agreement as

set forth in the Agreement as executed and properly amended pursuant to Section 14 of the Agreement.

Sincerely,

BROAD AND CASSEL

Susan Barnes de Resende
for
Daniel Newman, Esq.
Receiver for Founding Partners Capital Management Co.; Founding Partners Stable-Value Fund, L.P.; Founding Partners Stable-Value Fund, II, L.P.; Founding Partners Global Fund, Ltd.; and Founding Partners Hybrid-Value Fund, L.P.

DN:mm

Jonathan Etra

From: Susan Barnes de Resendiz
Sent: Wednesday, July 15, 2009 8:03 PM
To: 'Paparo, Vincenzo'
Cc: Jonathan Etra; Michael Magidson
Subject: Settlement Discussions

Dear Vince,

We appreciate your call requesting that we attempt to restart settlement discussions after our meeting this week did not go forward. Before anyone goes to the time and expense of preparation and travel to a meeting, we want a written proposal for settlement from you and your clients before the meeting. On July 7, I faxed you a letter formally requesting by July 10, 2009 (1) a detailed written plan for repayment of the accrued and unpaid interest due pursuant to the Agreements as well as for the resumption of monthly interest payments and when that repayment and payments will be made and (2) written details and supporting documentation of your clients' plan to insure that the Collateral provided for in the Agreements will be no less that it was on the date of the appointment of the Initial Receiver and that there will be sufficient Collateral to repay all principal, interest, and any other amounts due at the maturity of the Agreements.

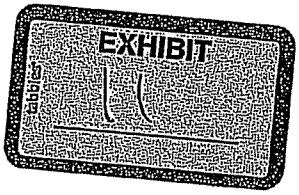
On July 8, you called and proposed a meeting in Miami for settlement discussions to be held this week. In response to your call, on July 8, 2009, I sent you another letter summarizing our discussion and stated that we wanted a written agenda prior to the meeting and that your clients would need supporting documentation for their proposal, such as independent valuations of Sun's assets and projections that demonstrate that those values are not diminishing and will not diminish for the period until the loans are repaid in full. I also reiterated that we want a detailed proposal with specific time frames that include commitments from third parties for refinancing the Founding Partners debt if contemplated by the proposal. I stated that we expect a fully formed plan with proof that it is viable and can be executed very promptly.

On Sunday afternoon, we had another conference call wherein you suggested that we proceed on both litigation and settlement tracks, assuming that the Receiver wanted to discuss settlement. Both Jonathan and I stated unequivocally that the Receiver continued to want to discuss settlement, but he would need a written proposal before the settlement meeting. Before the Receiver will agree to schedule such a meeting, he wants to receive the written proposal as outlined in my letters and discussed in our calls. Once we have a date certain for receipt of the detailed, written proposal, we will discuss dates for the meeting that would only go forward if the written plan is received before the meeting with sufficient time for the Receiver to review it and discuss it with his advisors. As we assured you on Sunday, any written settlement proposal will be treated as privileged pursuant to the Federal Rules of Civil Procedure.

We look forward to your informing us of the date on which we will receive the proposal.

Susan

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July 16, 2009

VIA E-MAIL (vpaparo@proskauer.com) and U.S. MAIL

Vincenzo Paparo, Esq.
Proskauer Rose, LLP
1585 Broadway
New York, NY 10036

Re: *SEC v. Founding Partners Capital Management, et al.*
Case No. 2:09-cv-229 (M.D. Fla.)

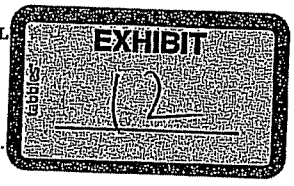
Dear Vince:

As you know, yesterday the Receiver exercised his rights as to Sun bank accounts under the loan and security agreements and related agreements between the Receivership entities and your clients (the "Collateral"). The Receiver took this action in order to protect the interests of the Receivership Estate and the investors of Founding Partners.

As the Receiver told you and your clients at the May 27th meeting in Miami, the Receiver was willing to consider all Sun proposals, including a negotiated workout with Sun, but he requires complete disclosure from Sun of all pertinent information necessary to making an informed decision about a Sun proposal. Although Sun stated that it would promptly provide such information, including the current status of the Collateral, Sun has consistently failed to present a detailed written plan on how Sun would repay the funds owed to the Receivership Estate. My email to you last night details my efforts to obtain such information as well. To date no such proposal has been made to the Receiver.

Significantly, the limited and much delayed production of documents, the failure to deliver current information about Sun Entities that have received and continue to use proceeds of the investor funds loaned to Sun and other information from Sun critical to the Receiver's execution of his duties, and the blocking of the Receiver's efforts to depose Sun Entities have not been consistent with the complete cooperation that was promised to the Receiver at the May 27th meeting and in subsequent discussions.

Despite Sun's representations that the Receivership's collateral is not being depleted, the limited documentation we have received from Sun indicates otherwise. The Receiver's accountants report that approximately 12% of the current accounts receivable is comprised of accounts receivable not older than 150 days and that most are due from entities under common



control with Sun. The other approximately 88% of accounts receivable are comprised of accounts receivable older that 150 days, and of the 88%, more than half are more than 180 days old. All but a very small percentage of Sun's accounts receivable are due from entities under common control with Sun.

It cannot come as a surprise to you that, after 90 days of Receivership, wherein you have failed to provide any current information about the hospitals that the Founding Partners Entities' loan proceeds are funding, that the Receiver, in fulfilling his obligations to the Court, would begin to take action to recover assets for the investors. Without current information from Sun that supports Sun's contention that Sun's operations are truly going concerns and that the hospitals receiving funds that are the Receiver's Collateral are viable entities, the Receiver has no choice but to begin collecting assets of the receivership estate for repayment to investors.

Nonetheless, as I reiterated in our call and my e-mail last night, the Receiver wants a written proposal with supporting documentation to justify

(a) any continuing funding of Sun operations,
(b) Sun's use of the cash proceeds of the Collateral to fund related entities, and
(c) the continued nonpayment of interest or principal.

If, for example, Sun can provide specific current information showing the Sun hospitals are viable, going concerns and that continued funding of those hospitals with the Receiver's cash collateral will not diminish the collateral available to repay investors, the Receiver will consider such funding if sufficient current financial information supports such a decision on a hospital by hospital basis. This is not possible, however, without a written proposal to do so and without any current reporting or accounting to the Receiver of Sun's continued use of the Receiver's cash collateral.

To the extent there is a critical need for financing today in order to fund the operations of any particular hospital, please provide us immediately with a request and supporting information so that the Receiver can understand the critical nature of the request and why the funding is in the best interests of the Receivership Estate. The Receiver will give immediate and serious consideration to any such request. I am available to you 24 hours a day to receive information and to counsel the Receiver.

We are also available to meet with you immediately to discuss your funding requests and supporting information. If you wish to meet with us this afternoon, Friday, or over the weekend we will be available.

If your clients take unilateral action without first availing themselves of these options, they will be responsible for any further impairment of the Collateral, including the precipitous closure of any Sun-related entity or facility.

Very truly yours,

BROAD AND CASSEL

FOR

Susan Barnes de Resendiz, Esq.

cc: Jeffrey Levitan, Esq.
Sarah Gold, Esq.
Daniel S. Newman, Esq.
Jonathan Etra, Esq.

Jonathan Etra

From: Susan Barnes de Resendiz
Sent: Thursday, July 23, 2009 10:01 PM
To: Jonathan Etra
Subject: FW: Receiver

Susan Barnes de Resendiz
OF COUNSEL
2 SOUTH BISCAYNE BLVD.
21ST FLOOR
MIAMI, FL 33131
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From: Susan Barnes de Resendiz
Sent: Saturday, July 18, 2009 2:55 PM
To: 'Paparo, Vincenzo'
Cc: Daniel Newman; Jonathan Etra; Michael Magidson; 'David Siegel'
Subject: RE: Receiver

EXHIBIT 13

Vince:

Thank you for your self-serving email. As an initial matter, the Receiver has been extremely patient with Sun and given it every opportunity to provide specific detailed information that would justify the continued use of investor funds to support Sun and hospitals owned by Sun's principals. Despite numerous requests for documents and information that Sun said it would provide to allow the Receiver to verify representations made by you, Sun and its principals, these same parties have done nothing but attempt to delay the Receiver's receipt of the critical information that has been requested time and time again. It is inconceivable why you, at every turn, have attempted to block and delay the Receiver from receipt of the very information that could lead to the funding your clients claim is so vital. There must be a reason behind these actions.

In your letter you are representing that, because the Receiver has choose to exercise contractual rights and has taken possession of the Receivership Estates' collateral, Sun must take the actions outlined in your email. Sun and its principals must take whatever action they deem appropriate, but make no mistake, any actions they take are the result of their conduct and are taken at their peril. At the Receiver's invitation and at your and your clients' request, the Receiver has agreed to meet with your clients Sunday to provide yet one more opportunity for them to demonstrate why continued use of investor funds to benefit Sun and entities owned by its principals, make financial sense and are in the best interest of the Receivership Estate. Despite all previous requests, you have refused to provide specific information on this very important point. We hope Sun, its

principals, and counsel intend to appear in good faith and provide the information they know is necessary for the Receiver's consideration of this issue.

Finally, as you are well aware and have acknowledged, to the extent Sun believes it has legal rights that would prevent the Receiver from taking possession of the Receivership Estate's collateral it may seek immediate and emergency relief with the Court. We would expect that, if Sun truely believes it has such legal rights, it will present them before the Court, with notice to the Receiver, of course. It is curious that you are representing Sun will be taking the actions referenced in your letter without availing itself of that opportunity which you yourself said it would undertake.

At your request, we will come to Sun's office for the meeting. Please provide me with the address and directions Sun so that I can circulate it among those who will be attending on behalf of the Receiver. You may call me on my cell any time today or tomorrow. My cell number is 713-907-0571.
Susan

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From: Paparo, Vincenzo [mailto:vpaparo@proskauer.com]
Sent: Saturday, July 18, 2009 1:14 PM
To: Susan Barnes de Resendiz
Cc: Jonathan Etra; Michael Magidson; Gold, Sarah S.
Subject: Receiver
Importance: High

Susan, I am writing to notify you that Sun Capital has determined that it must immediately inform it's hospital clients that it can no longer provide financing for patient care. Hospital managers were briefed regarding the receivers actions earlier this morning. Not surprisingly, they have correctly determined they cannot risk patent safety due to the lack of financing or under the financing regime proposed by the receiver, namely, the availability of funds based solely upon "the best interests of the Receivership Estate". Accordingly, the orderly planning and emergency evacuation of patients is now underway.

I also wish to inform you that yesterday afternoon Sun received requests for funding from one hospital client. The funds were needed for the purchase of medical supplies for this weekend. Sun did not meet the funding request solely because of the receivers grossly negligent and self interested actions. We advised you again yesterday of the harm that would result from your failure to agree to release those funds

immediately but we received no response. The receiver has therefore knowingly and needlessly placed patients lives at risk.

First and foremost, senior management owes its patients a duty to protect their safety and welfare. Accordingly, they are now working diligently on implementing and overseeing the emergency evacuations. The Sunday morning meeting now needs to occur at the offices of Sun because the principals must be available to coordinate with their staff to insure the proper timely implementation and oversight of the shut down of the hospitals.

I will keep you informed of further developments during the course of the day. If you feel the need to call me you can reach me on my cell phone.

Vince

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To ensure compliance with requirements imposed by U.S. Treasury Regulations, Proskauer Rose LLP informs you that any U.S. tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

****
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July 19, 2009

VIA EMAIL AND U.S. MAIL

Vincenzo Paparo
PROSKAUER ROSE LLP
1585 Broadway
New York, New York 10036-8299
vpaparo@proskauer.com

Re: *Daniel S. Newman, as Receiver for Founding Partners Capital Management Company, et al. v. Sun Capital, Inc., Sun Capital Healthcare, Inc. and HLP Properties of Port Arthur, LLC*
Case No. 2:09-cv-445-FtM-99-SPC (M.D. Fla.)

Dear Vince:

This letter is in response to your letter dated July 17, 2009, to our client, Daniel S. Newman, Receiver for Founding Partners Capital Management Company, et al. I remind you of counsel's ethical obligations to refrain from communicating directly with entities and individuals that are represented by counsel. Please do not communicate directly with our client in the future, including no telephone calls, no letters, no emails, and no copies of communications sent to counsel. We are perfectly capable of keeping our client informed.

I have reviewed your letter and find that it misstates the past and current facts and circumstance in this case. I will neither reiterate these facts nor enclose the correspondence between us and between the accountants and your clients that demonstrate that your letter is inaccurate. All of your protestations to the contrary, neither you nor Sun has responded to our daily requests for any current financial information about the Sun-related healthcare facilities, the entities that were purchased and funded by proceeds of the Founding Partners loans. Thus, you have refused to even provide information to support your assertion that it will be necessary to close these facilities or any impact such closings may have on patients. Sun's continued refusal to provide any financial information about these healthcare entities and prior conduct is entirely responsible for any actual damage and harm that might result.

You and your local counsel have been invited in writing to present factual evidence to support the unfettered use of the Receiver's cash collateral without reports, accounting, payment of interest, or any information relevant to that continued use. Further, you have been informed

orally and in writing that the Receiver would entertain any request on an emergency basis to fund any healthcare facility in need of money to maintain patient care and fund basic operations. The Receiver even permitted SunTrust to use the money in Sun's payroll account to cash Sun's employee's pay checks.

In my many years of experience, I have never witnessed such delays, obfuscations, and refusals to provide current relevant information to a lender regarding a $550,000,000 loan that has been and continues to be in default of virtually every term and condition of the loan agreements. Your continued protestations about the lender first breaching the loan agreement as an excuse to retain the proceeds of the loans and to withhold payment of interest while depleting the lender's cash collateral are ridiculous. I have examined the facts and circumstances and find no basis for such claims, but, even disregarding the former facts, the Receiver has expressly revoked whatever excuses you have cited for not complying with the terms of the loan agreements and has exercised his legal rights to enforce the loan agreements and protect the Receivership Estate's collateral, cash and otherwise. Nothing that happened in January 2009 could excuse current and future compliance with the loan agreements. We both know that.

I do feel compelled to respond to the most outrageous and unfounded accusation in your last letter, i.e., that our meeting with you is the result of your alleged filing of a TRO. None of us had any idea whether you and your local counsel intended to or would file a motion for a TRO and still don't. It was mentioned in passing by your local counsel when he appeared unannounced in our office last week. We graciously put him in a conference room and listened to him. He had nothing substantive to provide and no new information to impart. We also told him at that meeting that the Receiver would meet with Sun on the weekend to provide Sun the opportunity to demonstrate why continued funding was warranted.

Correspondence demonstrates that I initiated contact with you, inviting you and your client to offer solutions to the Receiver through his counsel to discuss any proposal your clients have to resolve the impasse between Founding Partners and Sun. It was I who continuously reminded you of the Receiver's desire for any proposal from your client. All of these entreaties were sincere and made in good faith with the fervent wish for Sun to meet with the Receiver and offer some way to repay the $550,000,000. All of my requests to you for documents and information were studiously ignored, and you responded to all requests for meetings and settlement discussion with demands for overreaching standstill agreements and pleadings seeking relief to sue the Receiver in New York. We overlooked all of this posturing and continued to press for current, relevant financial information and written proposals for settlement. After your opposition to our deposing the companies that received the investors' money, even after we agreed to limit the scope of such depositions, and with no cooperation from you and your clients, the Receiver had absolutely no choice but to proceed to recover investors' funds.

In our continued effort to be responsive to your every demand, we are driving an hour to your client's office early Sunday morning. We are hopeful that you and your clients will present

financial information to support the many unsupported claims and threats that have been continually slung at the Receiver and his professionals.

Sincerely,

BROAD AND CASSEL

/s/ Susan

Susan Barnes de Resendiz

cc: Daniel Newman, Esq.
Jonathan Etra, Esq.
Michael Magidson, Esq.

CAUSE NO. 09-03561

ANNANDALE PARTNERS LP, ANNANDALE PARTNERS II, LP, BARBARA K. BALDWIN, BELMONT STRATEGIC INCOME FUND, LP., EDWARD D. FALLIN, JR., THEODORE S. FRIES, DONALD L. HAMPTON, KENNY ALLAN TROUTT, as Trustee, on behalf of the KENNY ALLAN TROUTT DESCENDANTS TRUST, MAXWELL HALSTED PARTNERS, LLC, and THE ROCK OF GAINESVILLE, INC.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	DALLAS COUNTY, TEXAS
v.	§	
SUN CAPITAL, INC., SUN CAPITAL HEALTHCARE, INC., PROMISE HEALTHCARE, INC., PETER BARONOFF, HOWARD KOSLOW, and LAWRENCE LEDER,	§	
Defendants.	§	134th JUDICIAL DISTRICT

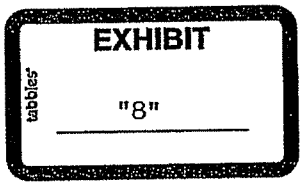
AFFIDAVIT OF STEVEN SCOTT MURPHY

STATE OF TEXAS §
§
COUNTY OF DALLAS §

KNOW ALL MEN BY THESE PRESENTS

That before me, the undersigned authority, on this day personally appeared Steven Scott Murphy who upon his oath did propose and state:

1. My name is Steven Scott Murphy, I am over the age of twenty-one (21) years old. I have personal knowledge of each fact set forth herein. Based on my personal knowledge and my familiarity with the topics discussed herein, the facts stated herein are true and correct, and I am competent to make this Affidavit.



2. I am employed by Belmont Opportunity Partners, Inc., the general partner of Belmont Strategic Income Fund, LP (Belmont) and my title is Vice-President. During the time period covered by this Affidavit, I was employed by Belmont in the capacity set forth herein. As a part of my responsibilities, I was involved in the decision to invest Belmont monies in Founding Partners Stable-Value Fund II, L.P., and continue to be involved with monitoring the investment on behalf of Belmont.

3. Sometime in 2007 I learned of Founding Partners, generally, through another Dallas investor. After learning about Founding Partners generally, and Founding Partners Stable-Value Fund II, L.P. in particular, I spoke with William L. Gunlicks, the President of Stable-Value II's General Partner and was informed repeatedly that the business of Stable-Value II is/was and would continue to be investing in accounts receivables of high quality from health care facilities and, to a lesser extent, commercial businesses. Mr. Gunlicks explained the relationship Stable Value II had with Sun Capital In. and Sun Capital Healthcare as the borrowers which would be purchasing the accounts receivables with our money, under very restrictive conditions. Mr. Gunlicks represented that any monies invested in Stable-Value II would be available for withdrawal and redemption—in cash, in their entirety—on a monthly basis with 90 days written notice.

4. In addition, Mr. Gunlicks, on behalf of the General Partner, emphasized strongly that loans made to fund the purchase of health care receivables by Stable-Value Fund II would be collateralized according to strict criteria, that would never allow the amount borrowed to exceed the amount of "investment grade" receivables in the borrowing base. Gunlicks also emphasized the short term nature of the receivables and that any receivable that became 150 days old would be replaced as a part of the Borrowing Base and the collateral. Similarly, until recently (first

quarter of 2009) Belmont was unfamiliar with, and did not know so called, DSH receivables would be included in the portfolio of receivables that would be a part of Stable-Value Fund II's security. Sometime during this time period I learned the primary investment of Stable-Value Fund II would be as a limited partner in Stable-Value Fund.

5. By late May or June of 2008 Belmont had invested over $23,000,000 in Stable-Value II and was considering further investment. As part of due diligence, I, along with Ron Winters of Alvarez & Marsal visited Sun Capital offices in Boca Raton, Florida on June 13, 2008. The following individuals attended that meeting:

- On behalf of Belmont – Scott Murphy and Ron Winters
- On behalf of Sun Capital – Peter Baronoff; (Chairman/CEO); Howard Koslow (President); Larry Leder (CFO)
- On behalf of Founding Partners – Bill Gunlicks and Phillip Fues

6. Much of the meeting focused on Sun Capital's administration of the accounts receivable factoring program. Throughout the meeting, both Sun Capital representatives and Mr. Gunlicks confirmed to me the following:

> Sun Capital reviews and purchases receivables on a "claim-by-claim" basis. This differentiates Sun Capital from others purchasing factored accounts receivables on "a pool" basis. Mr. Baronoff, Mr. Koslow, Mr. Leder, and Mr. Gunlicks all emphasized Sun's "claim-by-claim" procedure provided greater assurance for me as an investor that the receivables purchased had been reviewed individually, and were for that reason subjected to greater scrutiny, and less likelihood of default.

7. Gunlicks, Baronoff and Koslow each represented that Sun Capital held a first lien on all receivables that were not purchased and that this allowed Sun to "throw out" any receivables that would take 150+ days to collect and replace them with "newer" receivables. Gunlicks, Baronoff, Koslow and Leder each represented and confirmed to me at the meeting that

all of Sun's "portfolio" was invested in short term, investment grade factored account receivables as had been represented previously by Gunlicks.

8. At that this meeting, it was confirmed that Promise Healthcare operated a group of hospitals owned by Baronoff, Koslow and Leder. Sun Capital represented, and Gunlicks confirmed, that the Promise entities provided, at that time, approximately 50% of Sun Capitals factoring business. Baronoff, Koslow and Leder represented that they had established a wall between Promise and Sun Capital to ensure no conflicts of interest, and equivalent treatment amongst all factoring clients. I was told that if the principals ever decided to "to sell Promise" Gunlicks had the right of first refusal.

9. At no time during the June 13, 2008 meeting was it revealed to me that Gunlicks had agreed to, and Sun had engaged in, the purchase of Worker's Compensation receivables, DSH payments, or equity in hospital or entities owning hospitals, with our money. To the contrary, at the June 13, 2008, meeting it was specifically represented to me that all of Sun Capital investments were in factored accounts receivables for commercial and healthcare entities that satisfied the investment quality ("AA Rating"), short term (less than 150 days), and collectability requirements for use of our invested funds as Sun Capital's proceeds.

10. Based on and in reliance on the representations of Mr. Gunlicks, and/or Sun Capital as described herein, Belmont invested the following amounts on the following days:

January 1, 2008	$ 5,000,000
February 2, 2008	$ 4,000,000
March 1, 2008	$ 12,000,000
April 1, 2008	$ 2,800,000
July 1, 2008	$ 2,500,000
September 1, 2008	$ 4,600,000
Total	$ 30,900,000

11. By year end of 2008, and early January of 2009 we were informed that any redemption request made to obtain our monies would be denied. Based in part on this concern,

on January 9, 2009 I visited Promise Hospitals in Shreveport and Bossier City, Louisiana. At the meeting Sun Capital representative Peter Baronoff, as well as Mr. Gunlicks and Mr. Fues were present. During this meeting, Mr. Gunlicks and Mr. Baronoff emphasized the importance of Promise Healthcare and its role in the recapitalization of loans made to Sun Capital

12. The representations concerning investment quality of the receivables underlying the Stable-Value Funds loans, the amount of collateral used to secure those loans, and the ability to withdraw funds monthly after 90 days notice were critical investment parameters to Belmont that have been ignored and evaded by Mr. Gunlicks, the Stable-Value II General Partner, and Sun Capital and its principals.

13. In addition, Mr. Gunlicks and Sun Capital have represented to Belmont their plan to recapitalize loans made by Stable-Value Fund to Sun Capital. As I understand it, as a part of the recapitalization of the Promise Healthcare, Inc., Stable-Value Fund's loans would be secured by assets other than health care and commercial receivables, including potentially mortgages on real property, hospital equity, and additional assets. The investments and investment risks associated with the recapitalization of the Promise are different from and of greater risk than those associated with factored health care and commercial receivables. The details of any such proposed recapitalization have not been provided to Belmont by Gunlicks or Sun Capital, nor have they been disclosed as a part of any written supplement to Stable-Value II's private placement memorandum. On such basis Belmont opposes any recapitalization.

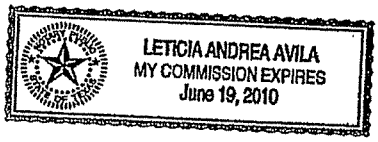
14. Because of the current pursuit of recapitalization of Promise Healthcare, Inc., the continued deterioration and transformation of the receivables portfolio that makes up the collateral for loans to Sun Capital entities, and Sun Capital's history of using investor monies for its own purposes contrary to contractual restitutions and requirements, a temporary restraining

order, temporary injunction, constructive trust, and an accounting are required to preserve the assets underlying the Stable-Value Fund's loans to the Sun Capital entities, restrain Sun Capital from further tortuous acts, and determine the exact nature and value of Plaintiff's collateral.

FURTHER, AFFIANT SAYETH NOT.

Steven Scott Murphy

SUBSCRIBED AND SWORN to before me on this 19th day of July 2009, to certify which witness my hand and seal of office.



Leticia Andrea Avila
Notary Public in and for the State of Texas

CAUSE NO. 09-03561

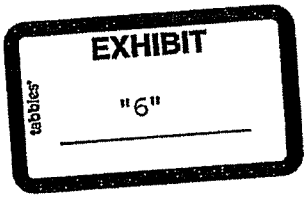
ANNANDALE PARTNERS LP, ANNANDALE PARTNERS II, LP, BARBARA K. BALDWIN, BELMONT STRATEGIC INCOME FUND, LP., EDWARD D. FALLIN, JR., THEODORE S. FRIES, DONALD L. HAMPTON, KENNY ALLAN TROUTT, as Trustee, on behalf of the KENNY ALLAN TROUTT DESCENDANTS TRUST, MAXWELL HALSTED PARTNERS, LLC, and THE ROCK OF GAINESVILLE, INC.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	DALLAS COUNTY, TEXAS
v.	§	
SUN CAPITAL, INC., SUN CAPITAL HEALTHCARE, INC., PROMISE HEALTHCARE, INC., PETER BARONOFF, HOWARD KOSLOW, and LAWRENCE LEDER,	§	
Defendants.	§	134th JUDICIAL DISTRICT

AFFIDAVIT OF NICHOLAS ANDREW MERRICK IN SUPPORT OF PLAINTIFFS' APPLICATION FOR TEMPORARY RESTRAINING ORDER, AND TEMPORARY AND PERMANENT INJUNCTIONS AND OTHER RELIEF

COMMONWEALTH OF VIRGINIA)
)
WARWICK COUNTY)

Before me, the undersigned notary, on this day personally appeared Nicholas Andrew Merrick, a person whose identity is known to me who upon his oath did depose and state:

1. "My name is Nicholas Andrew Merrick. I am over 18 years of age, of sound mind, have never been convicted of a felony, and fully able to testify to the matters in this affidavit. I reside in Dallas County, Texas. The information in this affidavit is based on my personal knowledge and is true and correct. Based on my personal knowledge and familiarity with the facts herein, I am competent to make this affidavit.



2. I am the investment advisor to the Kenny Allan Troutt Descendants Trust and, in that capacity, I have participated in the on-going business relationship between Founding Partners Stable-Value Fund, L.P. ('Stable-Value'), Founding Partners Stable-Value II, L.P. ('Stable-Value II'), Founding Partners Capital Management Company ('Management Company'), and William L. Gunlicks ('Gunlicks')) and Plaintiff Kenny Allan Troutt Descendents Trust (the "Trust") arising out of and relating to Stable-Value and Stable-Value II investment funds that are the subject of Plaintiffs' claims in the above-styled and referenced lawsuit. More particularly, I was (and continue to remain) an active participant in the Trust's conversations with Gunlicks and the General Partner of Stable Value and Stable Value II about investment strategies and programs, particularly as they are related to Stable-Value and Stable-Value II.

3. In connection with this responsibility, I am familiar with Sun Capital Healthcare, Inc., Sun Capital, Inc., and Promise Healthcare, Inc., as well as the principals in these entities, Peter Baronoff, Howard Koslow, and Larry Leder (collectively "Sun Capital").

4. Based on solicitations by Gunlicks on behalf of Stable-Value, the Trust contributed $28,000,000 over time beginning in 2004. During the time these funds were committed, Gunlicks continued to stress that he would adhere to the strict criteria for investments and operations that he represented to the Trust. Before the Trust decided to invest with Gunlicks and his entities, Gunlicks provided the Trust (through me and those under my supervision) a copy of the '*Confidential Memorandum of Founding Partners Multi-Strategy Fund, L.P.*' and a copy of the '*Confidential Supplement to Confidential Memorandum of Founding Partners Stable-Value Fund, L.P.*' In describing the investment strategies and programs identified in such Memoranda, Gunlicks specifically stated, among other things, that he could guarantee to the Trust that:

a. Any financial investment the Trust made would be, and remain, sufficiently collateralized at all times;

b. Any financial investment Gunlicks made, through his control over the Management Company, would be of "investment grade" quality;

c. Gunlicks, through his control over Management Company, would steadfastly maintain and observe a 'margin of safety' for all investment fund backed receivable loans by advancing no more than 80-85% of the net collectible value of any receivable loan;

d. Gunlicks, through his control over Management Company, would impose and adhere to strict limitations on the aging of receivables whereby no receivable in the collateral base would be older than 120 days, and receivables reaching that age would be replaced with receivables less than 150 days old; and

e. Funds invested in Stable Value would be liquid with redemption/ withdrawal available on a quarterly basis upon 60 days notice.

5. Also prior to the Trust investing with Stable Value, in 2004 I met with Sun Capital in Florida to confirm the existence of, and validate, the procedures for, the Accounts Receivable factoring program operated by Sun Capital. During my meetings with Sun Capital at this time, each element of the program, as described to me previously by Mr. Gunlicks, was confirmed to me by Mr. Baronoff and Mr. Koslow including:

- That Sun Capital would purchase only short-term (150 days or less) "investment grade" healthcare and commercial receivables with our invested Stable Value funds;
- That Stable Value's interest in the receivables would be secured by a first lien and reflected by a recorded UCC-1 filing;
- That Sun Capital would maintain a diversified receivables portfolio;
- That Sun Capital's receivable factoring program would not expose the Trust's investments to any financial market risk;
- During this meeting it was emphasized to me that the Sun Capital was only in the business of factoring accounts receivables and that its factoring receivable program was a low risk, liquid investment program that would be administered according to strict collateral, as well as other restrictive criteria, that would preserve the conservative nature of our investment.

6. Relying on the foregoing representations by Gunlicks and Sun Capital, the Trust agreed to invest approximately $28,000,000 in Stable-Value, and did invest those monies over an approximately four year period.

7. During the time we were making the investment referenced above, I learned for the first time that the principals of Sun Capital had ownership interests in hospitals that were affiliates of Sun Capital. I was informed by Mr. Gunlicks that receivables from Promise Healthcare were among the factored accounts receivables being purchased by Sun Capital.

8. This concerned me because the use of our investment proceeds by Sun Capital to purchase an investment in affiliated entities' receivables presented a 'related party' issue I wanted to learn more about. Consequently, I scheduled a meeting in Florida with Sun Capital to determine the status of the collateral securing our loaned funds and the nature of the relationship between Sun Capital and its affiliated hospitals from which receivables were being purchased. During that trip Mr. Baronoff and Mr. Koslow represented that the same strict investment criteria applicable to other unaffiliated providers was also being applied by Sun Capital in connection with its purchasing accounts receivables from hospitals owned by them. I asked Gunlicks about Koslow's representations and Gunlicks affirmed them.

9. At no time during this meeting did Sun Capital disclose to me that it had used our investor contributed loan proceeds to purchase Sun Capital's equity interest in Promise; nor was it revealed to me that a substantial portion of the receivables portfolio had been converted to

higher risk, illiquid DSH payments. At no time did Sun Capital inform me of the Workers' Compensation receivables that made up a portion of the collateral.

10. Beginning sometime in the summer/fall of 2008, the Trust started developing concerns about Gunlicks's (through Management Company) operation of Stable-Value. The initial concerns of the Trust were directed toward determining the actual liquidity of the Trust's investment and the revelation that Sun Capital and its principals appeared to be changing its business from a health care factoring entity to a company that owned hospitals. Related to this unease was that, what was once a portfolio of short-term, high quality receivables from predominantly independent entities had become a receivable pool of factored accounts receivables from hospitals owned by a related Sun Capital entity known as Promise. This lack of diversification and change in investment strategy was not disclosed and not approved by the Trust.

11. During the last quarter of 2008, and the first quarter of 2009, we began to piece together, over time, various facts concerning Gunlicks, Founding Partners, and Sun Capital. The principal concerns arising during that period are set forth below. The Trust's concerns also arose out of the sharply declining value of the collateral securing our investment, and the gradual realization that, for some time, Gunlicks and Sun Capital had failed to adhere to the strict investment criteria and checks and balances by which they agreed to be bound. Indeed, through the first quarter of 2009, Gunlicks and Sun Capital provided the Trust only with selective information in a piecemeal fashion that prevented the Trust from getting a full and complete picture of what was really happening with its investment. Gunlicks failed to disclose to the Trust that Sun Capital's collateral was insufficient to support its outstanding loans; instead, Gunlicks falsely stated that Sun Capital continued to satisfy the stringent criteria Gunlicks described in connection with soliciting the Trust's initial investment funds. In fact, in the Performance Report of January 31, 2009, Gunlicks falsely represented that Stable-Value was performing well. A true and correct copy of the Performance Report is attached hereto and incorporated by reference as Exhibit A.

12. As a result of growing concerns about Gunlicks's management of Stable-Value, the Trust continued to press Gunlicks for copies of Sun Capital's financial reports, which Gunlicks very reluctantly, but eventually, provided true and correct copies of the financial reports provided by Gunlicks for December 31, 2008, November 30, 2008, October 31, 2008, September 30, 2008, and December 31, 2007 are attached hereto and incorporated by reference as Exhibit B. The reports, which were unaudited and several months old, revealed that the value of the underlying accounts receivable on December 31, 2007 was $353,000,000, an amount equivalent to the line of credit from Stable-Value. The reports also showed, however, that by December 31, 2008 (just one year later), borrowings under Sun Capital's line of credit had grown to $537,000,000 but its accounts receivables lagged significantly behind at just $491,000,000—a negative difference of $46,000,000. Compounding the error of relying on old financial statements, in early 2009, Gunlicks inexplicably, and with financial information months old: (i) continued to communicate to shareholders that Stable-Value was profitable and performing on schedule; (ii) increased the maximum amount of credit by 25,000,000; and (iii) extended the maturity on the loans to Sun Capital until 2013.

13. Sun Capital's unaudited financials further demonstrated that, in addition to the dissipation of the underlying collateral, Gunlicks (through Management Company) had conspired with Sun Capital to permit Sun Capital to deviate from the investment style and strategy Gunlicks and Sun Capital had represented to the Trust would be used. Specifically, during the last four months of 2008, Stable-Value financed Sun Capital's purchases of significant amounts 'DSH' payments, none of which satisfied the "investment grade" quality Gunlicks and Sun Capital had promised to maintain. Having failed to tell the Trust about investing in such low-grade receivables, Gunlicks and Sun Capital also never told the Trust that such DSH payments introduced 'going concern' risks that were not part of any ongoing investment program ever described or disclosed to the Trust. According to records provided by Gunlicks, during the one-year period from December 2007 through December 2008, the amount of DSH payments ballooned from $87,500,000 on December 31, 2007 to $161,000,000 on December 31, 2008—an increase of nearly two times the December 2007 amount. *See* Exhibit B.

14. Further questioning of Gunlicks revealed that, while Sun Capital was downgrading from "investment quality" receivables to Worker's Compensation and DSH payments, Sun Capital was increasing the amount of receivables owed to it by its numerous related companies (e.g., Sun Healthcare). Whereas the amount owed to Sun Capital by its related companies on December 31, 2007 was $26,500,000, that amount more than doubled by December 31, 2008, reaching a total amount of $55,500,000. During this same time period, Sun Capital's unaudited financials revealed that the liability attributable to its clients' credit balances decreased from $45,000,000 to $11,000,000—a drop of $34,000,000. *See* Exhibit B. This change in balance represented an additional $34,000,000 in available capital that Sun Capital elected to retain for its own use and self dealing at a time when Sun Capital was in default on the loan to Stable Value.

15. During this same time period (early 2009), Gunlicks started receiving requests from Stable-Value's limited partners, including the Trust, to exercise their right to withdraw the funds they invested. The right to withdraw the Trust's investment funds at the end of any calendar quarter upon 60 days notice was one of the one of the most significant risk-management benefits (i.e., measure of protection) that Gunlicks emphasized when trying to induce the Trust to invest in Stable-Fund. Among other reasons, because Sun Capital had invested in longer term, riskier receivables, insufficient funds were available for the withdrawals requested by investors during the last quarter of 2008, and early 2009.

16. In an effort to salvage their financial empire, Sun Capital's principals continue to seek a recapitalization of Promise Healthcare. As part of such recapitalization, the Trust's (and other limited partners') status as senior and secured lender could formalize the transformation of the Trust's security interest from a priority first lien position to that of a junior and potentially unsecured lender with none of the protection promised under the original investment program, or provided in the Security Agreement. In reality, Sun Capital's conduct to date has already converted our position as a fully secured lender to a party holding a mixed bag of assets and IOUs, with many converted to Promise, the security for which has not been fully determined. As a prelude to this recapitalization, several steps have been taken that are harmful to the Trust and other limited partners. For example, on June 6, 2008, Gunlicks elected to extend the final maturity date on the Sun Capital Healthcare, Inc. loans to February 1, 2013. Also, on a January 9, 2009, Gunlicks unilaterally executed an additional agreement that could increase the

Maximum Amount of Credit that could be extended to Sun Capital Healthcare, Inc. to $550,000,000—an increase of approximately $200,000,000 since December 31, 2007. A true and correct copy of the Amendment to Credit and Security Agreement is attached hereto and incorporated by reference as Exhibit D.

17. In an effort to demonstrate the extent of the unauthorized use of Stable-Value loan proceeds I have prepared the attached exhibit C entitled, "Summary of Non-Authorized Uses of Founding Partners Loan Proceeds" (The Summary). The Summary reveals that as of December 31, 2008, Sun Capital had borrowed over $530 million. Of this amount, over $400 million has been used for unauthorized purposes.

18. It was only in 2009, as a part of evaluating the financial statements of Sun Capital, that I learned investor funds loaned by Stable Value to Sun Capital had been used by Sun Capital, Promise and their principals to provide working capital for its hospitals, other related party transactions and other transactions prohibited by Sun Capital's Security Agreement. Defendants' conduct in this respect constitutes self-dealing. The undisclosed conversion of investor contributions from a first lien on secured accounts receivables to more risky, illiquid assets and in some instances, unsecured advances was never disclosed fully to me; is contrary to the representations made by Sun Capital and Founding Partners, and has resulted and will result in irreparable harm to The Trust if not restrained, enjoined and a constrictive trust imposed over the assets now held by Defendants. An accounting is required to determine the existence, nature, and amount of any collateral securing the use of investor funds by Sun Capital.

FURTHER AFFIANT SAYETH NAUGHT.

Nicholas Andrew Merrick

SUBSCRIBED AND SWORN to before me on this the 20th day of July 2009, to certify which witness my hand and seal of office.

Crystal R. Hicks 07/20/09
Notary Public in and for the State of ~~Texas~~ Virginia

CRYSTAL R. HICKS NOTARY PUBLIC COMMONWEALTH OF VIRGINIA COMMISSION # 266888 MY COMMISSION EXPIRES 10-31-2010



5100 N. Tamiami Trail, Suite 110, Newgate Center, Naples, Florida 34103
Telephone: 239-514-2900 Facsimile: 239-514-2901

Performance Report as of January 31, 2009

FOUNDING PARTNERS STABLE -VALUE FUND, L.P.

MONTHLY AND ANNUAL RESULTS AFTER FEES AND EXPENSES

The returns below represent the net return, after an annualized management fee of 1 3/4% and other Fund expenses, of a U.S. single capital account investor in the Fund whose account had no additional investments or redemptions during the period of performance measurement. The total net return of the Fund as a whole may vary from the single capital account investor return, as outlined in the Fund's Annual Audit report.

2009		2008		2007		2006		2005		2004		2003		2002		2001	
Jan	1.08%	Jan	1.08%	Jan	1.06%	Jan	1.08%	Jan	1.06%	Jan	1.10%	Jan	1.12%	Jan	1.20%	Jan	0.88%
		Feb	1.06%	Feb	1.05%	Feb	1.07%	Feb	0.98%	Feb	1.07%	Feb	1.14%	Feb	1.22%	Feb	1.17%
		Mar	1.05%	Mar	1.05%	Mar	1.07%	Mar	1.05%	Mar	1.08%	Mar	1.11%	Mar	1.18%	Mar	0.99%
		Apr	1.08%	Apr	1.06%	Apr	1.07%	Apr	0.95%	Apr	1.06%	Apr	1.12%	Apr	1.12%	Apr	1.03%
		May	1.08%	May	1.07%	May	1.03%	May	1.03%	May	1.00%	May	1.15%	May	1.20%	May	1.10%
		Jun	1.07%	Jun	1.08%	Jun	1.05%	Jun	1.03%	Jun	1.06%	Jun	1.21%	Jun	1.18%	Jun	1.09%
		Jul	1.09%	Jul	1.05%	Jul	1.05%	Jul	1.06%	Jul	1.02%	Jul	1.11%	Jul	1.15%	Jul	1.06%
		Aug	1.09%	Aug	1.08%	Aug	1.08%	Aug	1.06%	Aug	0.95%	Aug	1.13%	Aug	1.14%	Aug	1.10%
		Sep	1.09%	Sep	1.06%	Sep	1.05%	Sep	1.05%	Sep	1.01%	Sep	1.02%	Sep	1.11%	Sep	1.11%
		Oct	1.07%	Oct	1.09%	Oct	1.05%	Oct	1.04%	Oct	0.98%	Oct	1.03%	Oct	1.13%	Oct	1.11%
		Nov	1.06%	Nov	1.00%	Nov	1.06%	Nov	1.08%	Nov	1.06%	Nov	1.07%	Nov	1.18%	Nov	1.15%
		Dec	1.05%	Dec	-.81%	Dec	1.07%	Dec	1.09%	Dec	1.06%	Dec	1.05%	Dec	1.13%	Dec	1.21%
		2008	13.7%	2007	11.4%	2006	13.5%	2005	13.2%	2004	13.2%	2003	14.1%	2002	14.9%	2001	13.8%

The one-year performance ending 1-31-09 is 13.7%.
The Standard Deviation of the returns is less than one (0.70), and the Sharpe Ratio is 16.9.

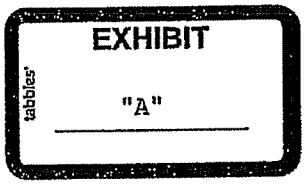
Current Annualized Yields:		
	3 Month U.S. Treasury Bill	0.2%
	10 Year U.S. Treasury Note	2.8%
	Dow Jones Corporate Bond Index	6.6%

NET RETURN OF THE STABLE-VALUE FUND FOR A SINGLE CAPITAL ACCOUNT, AS DESCRIBED ABOVE, SINCE INCEPTION 1-1-01 (97 months) COMPARED WITH TWO MARKET BENCHMARKS FOR THE SAME PERIOD

Founding Partners Stable-Value Fund	174.6%
2 Year U.S. Treasury Note	44.5%
S & P 500 Index (Total Return)	-27.6%

Past Performance Is Not Necessarily Indicative Of Future Results

Continued...



FOUNDING PARTNERS
CAPITAL MANAGEMENT COMPANY

Page 2 of 2: Performance Report, Founding Partners Stable-Value Fund, L.P. as of January 31, 2009

INVESTMENT YIELD: The Fund's investment returns are not influenced by the prevailing equity and debt markets. The monthly return is simply the result of that month's *investment mix* between the Fund's investment asset's gross monthly return, and the lower money market yield. The Fund's optimal return would be achieved by full investment in the receivable program. However, the *availability* of receivables that meet the Fund's strict investment grade criteria, and the *timing* of their funding, fluctuates daily. When eligible receivables are not available, those funds not currently invested in receivables are invested in other stable value style investments and a money market account. The Fund's annualized *target* investment mix is to *average* 97% in investment assets, with the balance in the money market account. *If achieved*, this investment mix would result in a pre-tax annualized return after fees and expenses in the range of 13%.

VOLATILITY: The volatility of the Fund is low. The Standard Deviation, a statistical measure of volatility and risk, of the Fund is less than 1, compared with 7 for the Long-term Bond Index and 18 for the S&P 500 Stock Index.

PORTFOLIO COMPOSITION AND QUALITY: The majority (about 99%) of the Fund's assets at January month-end were invested in loans provided to the Sun Capital Group: Sun Capital Healthcare, Inc. (about 95%), Sun Capital, Inc. (about 3%), and Promise Healthcare (about 1%); with the remaining in cash and other assets (less than 1%). Sun Capital Healthcare is a privately owned, non-rated, receivable funding company, which uses the proceeds of the loans to finance its purchase, at a discount, of healthcare receivables. The loans are secured by the healthcare receivables, which are the payment obligations of Federal and State government agencies, and certain U.S. insurance companies rated by various rating firms, such as Moody's, Standard & Poor's and A.M. Best. The rating composition of the payors is, approximately, as follows: U.S. Federal and State Government risk, 80%; Aaa and Aa, 12%; A and Baa, 3%; and Ba and B, 1%.

The Fund also provides loans to Sun Capital, Inc., a well established, privately owned (by the same principals of Sun Capital Healthcare, Inc.), non-rated receivable funding company, which uses the proceeds of the loans to finance its purchase, at a discount, of certain pre-qualified and verified commercial receivables. The loans are secured, through enforceable UCC-1 filings, by the commercial receivables, which are the payment obligations of U.S. companies and U.S. government entities. Default insurance on the non U.S. Government receivables is provided from the world's largest credit insurer, rated AA+, of commercial trade receivables.

PORTFOLIO CONCENTRATION AND DIVERSIFICATION: About 39% of the healthcare receivable portfolio is the payment obligation of Medicare and about 41% Medicaid; about 4% represents the payment obligation of State sponsored insurance entities, and the balance of 16% represents the payment obligation of U.S. insurance companies and U.S. health care plans, such as Blue Cross/Blue Shield. Of the non-government receivables, no insurance company/plan represents more than 1% of the portfolio.

A copy of the Fund's annual audit, a copy of the Fund's quarterly total capital reconciliation statement, and a copy of the Company's SEC Disclosure Brochure are available upon request.

THIS IS NOT AN OFFERING OF INTERESTS IN FOUNDING PARTNERS STABLE-VALUE FUND, L.P. THE OFFERING IS MADE ONLY THROUGH THE CONFIDENTIAL MEMORANDUM.

Founding Partners Stable-Value Fund, LP

Founding Partners Capital Management Company
5100 North Tamiami Trail, Suite 110, Newgate Center
Naples Florida 34103
Phone 239-514-2900 Fax 239-514-2901
Contact William L. Gunlicks Email partners@foundingpartnerscapital.com

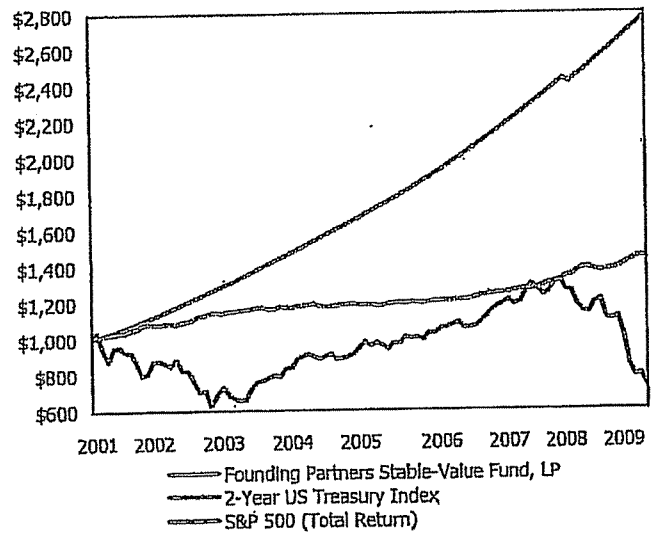
Benchmark 1 (BM1): 2-Year US Treasury Index
Benchmark 2 (BM2): S&P 500 (Total Return)

Fund Description

The Stable-Value Fund's investment objective is to achieve above-average rates of return in the long-term, while preserving capital and its purchasing power in the short-term. The Fund is designed to accomplish this objective through the implementation of a Stable Value investment strategy that has low to no correlation to the equity and bond markets. The majority of the Fund's assets, through a security interest provided in the Loan and Security Agreement, are invested to finance the purchase, at a discount, of eligible investment grade health care receivables that are the payment obligation of U.S. insurance companies, Blue Cross/Blue Shield plans or U.S. government health care agencies such as Medicare and Medicaid. The risks associated with the investment and lending process are not influenced by the market, but are related to extensive contractual documentation and receivable valuation requirements, as described in the Fund's Offering Memorandum. The returns below represent the net return, after an annualized management fee of 1.75% and other Fund expenses, of a U.S. single capital account investor in the Fund whose account had no additional investments or redemptions during the period of performance measurement. The total return for the Fund as a whole is outlined in the Fund's Annual Audit report.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009	1.08%												1.08%
2008	1.08%	1.06%	1.05%	1.08%	1.08%	1.07%	1.09%	1.09%	1.09%	1.07%	1.06%	1.05%	13.66%
2007	1.06%	1.05%	1.05%	1.06%	1.07%	1.08%	1.05%	1.08%	1.06%	1.09%	1.00%	-0.81%	11.37%
2006	1.08%	1.07%	1.07%	1.07%	1.03%	1.05%	1.05%	1.08%	1.05%	1.05%	1.06%	1.07%	13.50%
2005	1.06%	0.97%	1.05%	0.95%	1.03%	1.03%	1.06%	1.06%	1.05%	1.04%	1.08%	1.09%	13.21%
2004	1.10%	1.07%	1.08%	1.06%	1.00%	1.06%	1.02%	0.95%	1.01%	0.98%	1.06%	1.06%	13.19%
2003	1.12%	1.14%	1.11%	1.12%	1.15%	1.21%	1.11%	1.13%	1.02%	1.03%	1.07%	1.05%	14.10%
2002	1.20%	1.22%	1.18%	1.12%	1.20%	1.18%	1.15%	1.14%	1.11%	1.13%	1.18%	1.13%	14.87%
2001	0.88%	1.17%	0.99%	1.03%	1.10%	1.09%	1.06%	1.10%	1.11%	1.11%	1.15%	1.21%	13.80%

Growth of $1,000



Fund Statistics

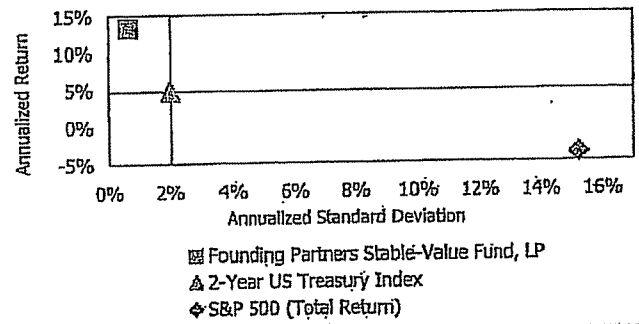
Annualized Return	13.46%
Standard Deviation	0.69%
Sharpe Ratio (1.0%)	16.88
Cumulative Return Since Jan 2001	177.5%
Average Monthly Return	1.06%
Profitable Months 96/97	98.97%
Profitable Quarters 32/32	100.00%
Best Month	1.22%
Worst Month	-0.81%

Fund Information

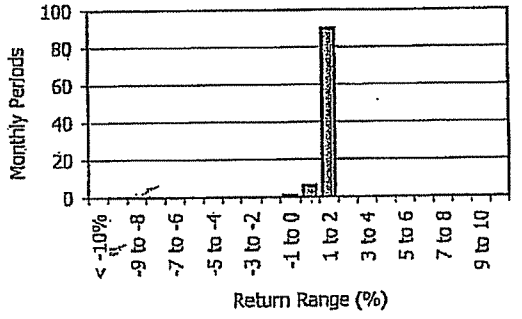
Strategy	Structured Finance
Minimum Investment	$500,000
Management Fee	1.75%
Incentive Fee	None
Subscription	Monthly
Redemption	Quarterly, 60 days notice
Reporting Period	Monthly
Auditors	Ernst & Young LLP
Legal Counsel	Mayer Brown LLP

Fund Correlation to Benchmarks	BM1	BM2
Alpha	1.06%	1.06%
Annualized Alpha	13.46%	13.46%
Beta	0.001	(0.000)
Correlation	0.003	(0.010)

Risk/Return Scatterplot



Distribution of Returns



THIS IS NOT AN OFFERING OF INTERESTS IN FOUNDING PARTNERS STABLE-VALUE FUND, L.P.
THE OFFERING IS MADE ONLY THROUGH THE CONFIDENTIAL OFFERING MEMORANDUM
***** PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS *****

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED BALANCE SHEET
December 31, 2008

ASSETS

	Per General Ledger		NOTE Projected Liquidation Basis
CURRENT ASSETS			
Cash	$ 10,456,592		10,456,592
Accounts Receivable	491,035,785		135,000,000
Prepaid Expenses	46,470	Reclassification	450,000,000
Due From Related Parties	-		
Total Current Assets	501,540,847		
PROPERTY AND EQUIPMENT at cost (Net of Accumulated depreciation)	12,066		
OTHER ASSETS			
Loan Costs, net	-		
Due from Related Parties	55,595,220		
Other Receivables	2,356,585		
Security Deposits	-		
Total Other Assets	57,951,705		
Total Assets	$ 559,504,698		595,456,592

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES		
Accounts Payable	$ 58,400	58,400
Accrued Expenses	7,094,653	7,094,653
Credit Balances of Factoring Clients	10,982,986	
Line of Credit	375,000	375,000
Total Current Liabilities	18,511,051	0,053,733
Notes Payable - Subordinated Debt - Related Party	250,000	250,000
Line of credit	537,504,318	537,504,318
Total Liabilities	556,265,369	540,108,071
STOCKHOLDERS' DEFICIT		
Common Stock ($1.00 par value, 15,000 shares authorized, 300 shares issued and outstanding)	300	300
Paid-In-Capital	154,950	40,500,147
Treasury Stock	(47,500)	-47,500
Accumulated (Deficit)	7,031,579	7,031,579
Total Stockholders' (Deficit)	7,109,329	49,358,521
Total Liabilities and Stockholders' Deficit	$ 559,504,698	595,456,592

NOTE

Such projections reflect various assumptions made by the Companies concerning anticipated results, which are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Companies and which may or may not prove to be correct. As a result, no representation or warranty is made as to the feasibility or attainability of the projected financial information or the assumptions from which the projected financial information is derived and the actual results may be materially different. There can be no assurance that the projections will be realized.

DSH = $161,057,164

tabbies

EXHIBIT "B"

Sun Capital Healthcare, Inc and Sun Capital, Inc
Due from Related Parties
December 31, 2008

	Health Care Total	Inc	Management Serv	Elimination	Inc Total	Elimination	Combined
SCI Management Serv	257,063				-		257,063
World Factor	2,976	316,406			316,406		319,382
LH Acquisition	10,414,297				-		10,414,297
Promise	33,477,172	8,671			8,671		33,485,843
Master Factor	3,851				-		3,851
Med Tech Lab	27,536				-		27,536
Langlappe	1,133,457				-		1,133,457
Courtyard Ventures		4,634,270			4,634,270		4,634,270
Great Northern Partners		15,000			15,000		15,000
Emerald Hills		189,954			189,954		189,954
Sun Capital, Inc	~~75,353,884~~				-	~~(73,353,884)~~	-
SC Management Serv		651,094		(651,094)	-		-
Receivable Symbio		471,480			471,480		471,480
Medical Management Serv		31,666			31,666		31,666
HLP Properties	1,400,000				-		1,400,000
SC Group	366,449	8,720			8,720		375,169
Loan HKPB		57,091			57,091		57,091
Interest Receivable		1,509,621		(373,602)	1,136,019		1,136,019
Atlantic Shores		5,000			5,000		5,000
Sun Capital Funding		100			100		100
Howard and Peter		1,314,000			1,314,000		1,314,000
The SC Group Inc		116,447			116,447		116,447
Trieste		207,595			207,595		207,595
Final Bal per GL	120,436,885	9,537,115	-	(1,024,696)	8,512,419	(73,353,884)	55,595,220
Promise reclass		-			-		-
Bal per Financial Statements	120,436,885	9,537,115	-	(1,024,696)	8,512,419	(73,353,884)	55,595,220

A - LH acquisition / Promise mortgage
B - Other mortgages (details requested)
C - Funded from SC Healthcare earnings
D - Old investment by SC, Inc in a real estate transaction (Sun Funding Partners)
E - mortgage
F - Old loan from SC, Inc funded from earnings

Sun Capital Healthcare, Inc. and Sun Capital Inc.

Per Sun Capital		
A/R per 12/31/08 Balance Sheet	491 401,000,000	
Less:		
Accrued Fee Adjustment	-38,000,000	A
California Medical	-25,400,000	B
Advances against future receivables	-24,800,000	C
Baton Rouge lease advances - equipment	-3,300,000	D
Vidalia construction advances – equipment	-4,600,000	D
Silver Lake advances	-3,900,000	E
A/R 12/31/08	391,000,000	

Bill Gublicks Notes

A Accrued processing fees due to Sun Capital Healthcare not reflected in account receivables aging report.

B Delayed receivable payments beyond 150 days due, mostly in California. Account receivables aging report system excludes these receivables from the borrowing base, however, payment is expected based prior experience.

C Provider numbers delayed by third party processor, expect payment..

D Equipment leases, will receive payments from hospitals.

E. Patrick to follow

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED BALANCE SHEET
October 31, 2008

ASSETS

CURRENT ASSETS		
Cash	$	5,868,700
Accounts Receivable		508,776,264
Prepaid Expenses		76,451
Due From Related Parties		-
Total Current Assets		514,721,415
PROPERTY AND EQUIPMENT at cost		
(Net of Accumulated depreciation)		14,036
OTHER ASSETS		
Loan Costs, net		-
Due from Related Parties		47,967,727
Other Receivables		2,320,654
Security Deposits		-
Total Other Assets		50,288,381
Total Assets	$	565,023,832

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES		
Accounts Payable	$	68,034
Accrued Expenses		6,862,315
Credit Balances of Factoring Clients		30,870,469
Line of Credit		525,000
Total Current Liabilities		38,325,818
Notes Payable - Subordinated Debt - Related Party		250,000
Line of credit		524,854,318
Total Liabilities		563,430,136
STOCKHOLDERS' DEFICIT		
Common Stock ($1.00 par value, 15,000 shares authorized, 300 shares issued and outstanding)		300
Paid-in-Capital		154,950
Treasury Stock		(47,500)
Accumulated (Deficit)		1,485,946
Total Stockholders' (Deficit)		1,593,696
Total Liabilities and Stockholders' Deficit	$	565,023,832

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED STATEMENT OF OPERATIONS
FOR THE TEN MONTHS ENDED OCTOBER 31, 2008

REVENUES:	
Factoring Fees	$ 70,735,203
Other Income	317,343
Interest Income	688,315
Interest Income -Related parties	728,481
Total Income	72,469,342
EXPENSES	
Interest Expense	58,596,661
Interest Expense - Related Party	-
Salaries, Benefits and Related Taxes	2,226,465
Provision for Credit Losses	-
Professional Fees	949,451
Selling, General and Administrative Expenses	2,828,396
Depreciation & Amortization	18,863
Total Expenses	64,619,836
NET INCOME (LOSS)	$ 7,849,506

Sun Capital Healthcare, Inc.
And Sun Capital, Inc.
Combined Statement of Collateral
October 31, 2008

Per Financial Statements	
Line of Credit - Founding Partners - Short Term	225,000
Line of Credit - Founding Partners	525,154,318
Total Due Founding Partners	525,379,318
Less:	
Cash	5,868,700
Command Note	4,500,000
LH Acquisition Note	1,133,000
Lagniappe Mortgage	10,233,000
Bossier Land Acquisition Corp	12,087,999
	33,822,699
Adjusted Loan Balance	491,556,619
A/R per Financial Statements	508,776,264
Add: Medical & San Diego Medicare	19,286,969
	528,063,233
A/R Collateral Percentage	93.09%

Sun Capital Healthcare, Inc.
And Sun Capital, Inc.
Combined Statement of Collateral
October 31, 2008

Per Financial Statements	
Line of Credit - Founding Partners - Short Term	225,000
Line of Credit - Founding Partners	525,154,318
Total Due Founding Partners	525,379,318
Less:	
Cash	5,868,700
Command Note	4,500,000
LH Acquisition Note	1,133,000
Lagniappe Mortgage	10,233,000
Bossier Land Acquisition Corp	12,087,999
	33,822,699
Adjusted Loan Balance	491,556,619
A/R per Financial Statements	508,776,264
Add: Medical & San Diego Medicare	19,286,969
	528,063,233
A/R Collateral Percentage	93.09%

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED BALANCE SHEET
September 30, 2008

ASSETS

CURRENT ASSETS	
Cash	$ 13,343,732
Accounts Receivable	500,485,154
Prepaid Expenses	94,730
Due From Related Parties	-
Total Current Assets	513,923,616
PROPERTY AND EQUIPMENT at cost	
(Net of Accumulated depreciation)	15,021
OTHER ASSETS	
Loan Costs, net	-
Due from Related Parties	44,850,831
Other Receivables	2,302,017
Security Deposits	-
Total Other Assets	47,152,848
Total Assets	$ 561,091,485

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES	
Accounts Payable	$ 615
Accrued Expenses	6,670,957
Credit Balances of Factoring Clients	38,445,832
Line of Credit	600,000
Total Current Liabilities	45,717,404
Notes Payable - Subordinated Debt - Related Party	250,000
Line of credit	514,179,318
Total Liabilities	560,146,722
STOCKHOLDERS' DEFICIT	
Common Stock ($1.00 par value, 15,000 shares authorized, 300 shares issued and outstanding)	300
Paid-in-Capital	154,950
Treasury Stock	(47,500)
Accumulated (Deficit)	837,013
Total Stockholders' (Deficit)	944,763
Total Liabilities and Stockholders' Deficit	$ 561,091,485

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008

REVENUES:	
Factoring Fees	$ 63,006,874
Other Income	317,343
Interest Income	604,993
Interest Income -Related parties	433,331
Total Income	64,362,541
EXPENSES	
Interest Expense	51,759,064
Interest Expense - Related Party	-
Salaries, Benefits and Related Taxes	2,035,530
Provision for Credit Losses	-
Professional Fees	865,249
Selling, General and Administrative Expenses	2,531,747
Depreciation & Amortization	17,878
Total Expenses	57,209,468
NET INCOME (LOSS)	$ 7,153,073

Sun Capital Healthcare, Inc.
And Sun Capital, Inc.
Combined Statement of Collateral
September 30, 2008

Per Financial Statements	
Line of Credit - Founding Partners - Short Term	300,000
Line of Credit - Founding Partners	514,479,318
Total Due Founding Partners	514,779,318
Less:	
Cash	13,343,732
Command Note	4,500,000
LH Acquisition Note	1,133,000
Lagniappe Mortgage	10,233,000
Bossier Land Acquisition Corp	12,087,999
	41,297,731
Adjusted Loan Balance	473,481,587
A/R per Financial Statements	500,485,154
A/R California Delays	25,496,000
Total A/R	525,981,154
A/R Collateral Percentage	90.02%

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ENVISION HOSPITAL CORPORATION
INVOICE AGING REPORT
Grouped By Clients
Summary Aging
As Of 9/30/2008

Ver. 2.3.0.182

(Report Format 1)

FOREST PARK HOSPITAL CORP.
6150 OAKLAND AVE.
ST. LOUIS, MO 63139

Client Id: 966

Ph: 314-768-3177 Fax: 314-768-3990

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180 S
Client Totals:	3,235,366.98	1,507,370.28	374,280.02	342,435.26	455,428.68	293,780.81	262,071.93	
		46.59%	11.57%	10.58%	14.08%	9.08%	8.10%	

MICHAEL REESE MEDICAL CTR CORP.
2929 SOUTH ELLIS AVE.
CHICAGO, IL 60616

Client Id: 967

Ph: 312-791-3545 Fax: 312-791-2299

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180 S
Client Totals:	1,609,730.69		17,409.77	357,376.29	394,258.12	581,324.60	259,361.91	
			1.08%	22.20%	24.49%	36.11%	16.11%	

PACIFICA OF THE VALLEY CORP.
9449 SAN FERNANDO ROAD
SUN VALLEY, CA 91352

Client Id: 968

Ph: 818-252-2495 Fax: 818-252-2497

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180 S
Client Totals:	6,759,203.52	2,259,990.89	1,592,902.00	1,247,283.96	702,532.57	372,943.65	278,938.82	304,611.63
		33.44%	23.57%	18.45%	10.39%	5.52%	4.13%	4.51%

ST. ALEXIUS HOSPITAL CORP.
3933 SOUTH BROADWAY
ST. LOUIS, MO 63118

Client Id: 969

Ph: 314-865-7917

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180 S
Client Totals:	3,069,825.02	1,721,874.97	599,064.87	279,509.74	179,444.73	161,758.29	128,172.42	
		56.09%	19.51%	9.11%	5.85%	5.27%	4.18%	

ENVISION HOSPITAL CORPORATION
INVOICE AGING REPORT
Grouped By Clients
Summary Aging
As Of 9/30/2008
Company Totals

(Report Format 1)

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Company Totals:	14,674,126.21	5,489,236.14	2,583,656.66	2,226,605.25	1,731,664.10	1,409,807.35	928,545.08	304,611.63
		37.41%	17.61%	15.17%	11.80%	9.61%	6.33%	2.08%

Number Of Clients Reported: 4

BATON ROUGE SPECIALTY MEDICAL CENTER
201 EAST LOUISIANA AVE
RAYNE, LA 70578

Client Id: 902

Ph: 999-999-9999

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	7,947,649.02	1,679,455.23	5,647,832.77	426,377.28	161,333.55	32,650.19		
		21.13%	71.06%	5.36%	2.03%	0.41%		

GOLDEN TRIANGLE
2555 JIMMY JOHNSON BLVD.
3RD FLOOR
PORT ARTHUR, TX 77640

Client Id: 897

Ph: 000-000-0000 Fax: 000-000-0000

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	8,326,646.16	1,975,133.97	6,175,141.02	146,913.46	29,457.71			
		23.72%	74.16%	1.76%	0.35%			

LAGNIAPPE HOSPITAL INCORPORATED
1800 IRVING PLACE
SHREVEPORT, LA 71101

Client Id: 560

Contact: ROBERT HICKS

Ph: 318-235-6395 Fax: 318-424-2627

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	27,908,065.29	6,094,889.97	21,288,702.58	290,625.02	124,879.16	108,968.56		
		21.84%	76.28%	1.04%	0.45%	0.39%		

PHOENIX SPECIALTY MEDICAL CENTER
201 EAST LOUISIANA AVE
RAYNE, LA 70578

Client Id: 900

Contact: 00

Ph: 000-000-0000 Fax: 000-000-0000

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	15,576,378.57	3,316,309.71	11,993,825.11	58,615.06	56,010.36	151,618.33		
		21.29%	77.00%	0.38%	0.36%	0.97%		

Confidential

Sun Capital Healthcare, Inc. and Sun Capital, Inc.

Attachment VI – Combined Balance Sheet Unaudited

DSH = $87,500,000

December 31, 2007

	Sun Capital, Inc.	Sun Capital, Healthcare, Inc.	Eliminations	Combined Total
Assets				
Current assets:				
Cash	$ 10,774,691	$ 7,346,470	$ –	$ 18,121,161
Accounts receivable	25,029,926	328,596,774	–	353,626,700
Prepaid expenses	33,820	1,700	–	35,520
Due from related parties	–	55,326,048	(55,326,048)	–
Total current assets	35,838,437	391,270,992	(55,326,048)	371,783,381
Property and equipment at cost (net of accumulated depreciation)	13,629	19,270	–	32,899
Other assets:				
Loan costs, net	–	–	–	–
Due from related parties	8,046,256	18,540,121	–	26,586,377
Other receivables	1,490,601	–	–	1,490,601
Security deposits	–	–	–	–
Total other assets	9,536,857	18,540,121	–	28,076,978
Total assets	$ 45,388,923	$ 409,830,383	$ (55,326,048)	$ 399,893,258
Liabilities and stockholders' deficit				
Current liabilities:				
Accounts payable	$ 29,420	$ 20,744	$ –	$ 50,164
Accrued expenses	266,358	4,440,916	–	4,707,274
Credit balances of factoring clients	4,349,026	41,026,377	–	45,375,403
Line of credit	900,000	300,000	–	1,200,000
Due to related party	55,326,048		(55,326,048)	–
Total current liabilities	60,870,852	45,788,037	(55,326,048)	51,332,841
Notes payable - long term	–	–	–	–
Notes payable - subordinated debt - related party	250,000	–	–	250,000
Line of credit	18,584,647	334,728,579	–	353,313,226
Total liabilities	79,705,499	380,516,616	(55,326,048)	404,896,067
Stockholders' deficit:				
Common stock ($1.00 par value, 7,500 shares authorized, 150 shares issued and outstanding)	150	150	–	300
Paid-in-capital	154,950	–	–	154,950
Treasury stock	(47,500)	–	–	(47,500)
Accumulated (deficit)	(34,424,176)	29,313,617	–	(5,110,559)
Total stockholders' (deficit)	(34,316,576)	29,313,767	–	(5,002,809)
Total liabilities and stockholders' deficit	$ 45,388,923	$ 409,830,383	$ (55,326,048)	$ 399,893,258

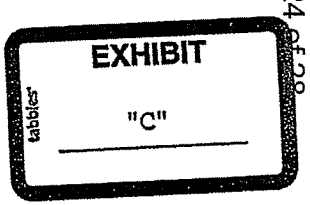
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Summary of non-authorized uses by Sun Capital of Stable Value loan proceeds (per Credit and Security Agreement)

Line of Credit Balance	$537,804,318	(1)	per 12.31.08 balance sheet (II)
Non-authorized uses of the Line of Credit Balance			
Non-compliant accounts receivable:			
medical receivables > 120 days	1,101,196	(2)	per 12.31.08 aged a/r report (I)
non-medical receivables > 120 days	1,730,168	(3)	per 12.31.08 aged a/r report (I)
workers comp receivables	53,448,622	(4)	per 12.31.08 aged a/r report (I)
Expected DSH payments	161,057,164	(5)	per 12.31.08 aged a/r report (I)
Unsecured working capital advances (advances on future receivables, etc.)	97,782,256	(6A - 6B)	variance btw 12.31.08 balance sheet a/r balance (II) and aged a/r report (I)
Due From Related Parties (not able to categorize as an A/R)	55,595,220	(7)	per 12.31.08 balance sheet (II), assumed to be 100% funded by Founding Partner loan proceeds
YOY change in credit balances of factoring clients (amounts sent to affiliate hospitals from collection of A/R notwithstanding senior status of FP loan)	34,392,405	(8A - 8B)	variance btw 12.31.08 balance sheet (II) and 12.31.07 balance sheet (III)
	$405,107,031		**Total loan proceeds that are non-compliant with the Borrowing Base as defined in the Credit and Security Agreement**

NOTE: Values as of Dec. 31, 2008 -- Sun Capital combined financials (sourced from Founding Partners and EY Collateral Audit)

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Sun Capital Healthcare and Sun Capital , Inc. Aged Accounts Receivable 12/31/08	1-30	31-60	61-90	91-120	120-150	150+	Total
Non Promise/Success Clients							
Pacifca of the Valley	321,757	1,713,122	751,448	425,846	353,160		3,565,333
Pacifca of the Valley DSH				7,500,784		17,217,235	24,718,019
Michael Reese	53,211	70,978	15,512	10,999	26,133	12,153	189,986
Michael Reese DSH						6,199,999	6,199,999
City of Angels		325,412	358,013	303,618	142,942		1,130,985
City of Angels DSH		2,601,250		4,553,750	3,955,000	23,643,750	34,753,750
Brylin Hospital	875,775	414,722	195,596	282,430	113,146	125,000	2,006,669
Cornerstone Diabetes	42,421	14,861	5,460	9,449			72,191
Metroplex Medical	74,945	8,436	6,911	7,474			97,766
Normatec Industries	101,316	46,782	108,317	129,854	60,651	269,011	716,931
Alicare Workers Comp						12,755,447	12,755,447
America West Workers Comp						3,139,658	3,139,658
Pain Net Phys. Grp Workers Comp						9,668,171	9,668,171
Pain Net New Workers Comp						3,373,288	3,373,288
Pain Net Old Workers Comp						24,512,058	24,512,058
	1,469,425	5,198,563	1,442,257	13,224,204	4,651,032	100,914,770	126,900,251
Promise/Success Clients							
Silver Lake Medical CTR DSH	4,006,126						4,006,126
Silver Lake Medical CTR	1,691,715	543,007					2,234,722
Baton Rouge Specialty	1,774,366	4,497,308	1,530,374	485,238	32,474		8,320,760
Golden Triangle	3,763,957	3,264,661	1,411,248	179,771	187,005		8,796,642
Lagniappe Hospital	13,694,116	10,856,470	4,072,020	34,985	74,050		28,734,441
Phoenix Specialty	7,883,227	4,704,910	3,422,174	74,316			16,084,627
Professional Rehab	1,715,210	1,474,340	11,482	45,628	36,926		3,283,586
Ascension	4,415,266	2,390,540	2,007,687	50,064			8,863,557
Vicksburg	2,270,130	1,855,927	56,203				4,182,260
Salt Lake	3,164,045	1,846,490	1,530,328	28,013	16,707		6,585,583
San Antonio	3,109,294	2,024,004	623,325	8,626			5,765,249
Suburban Medical CTR	17,168,582	7,730,713	6,907,857	351,318	192,902		32,351,372
Suburban Medical CTR DSH						8,000,000	8,000,000
San Diego	12,081,560	6,473,818	5,582,234	1,104,300	2,821,041		28,062,953
San Diego DSH						6,000,000	6,000,000
Forest Park Hospital	1,782,197	453,704	304,513	263,839	100,113		2,904,366
Forest Park Hospital DSH				18,118,280	22,172,424	12,001,667	52,292,371
St. Alexius	2,245,449	577,840	286,102	215,364	177,823		3,504,578
ST. Alexius DSH				7,154,200	10,619,510	7,313,189	25,086,899
	80,766,240	48,785,732	27,746,347	28,115,942	36,430,875	33,314,856	255,160,092
SUN CAPITAL, INC							
Symbio Solutions	2,226,100	1,718,901	694,830	55,728	26,941	432,314	5,156,814
BZ Kids	12,857	3,823	554				17,234
Fire Equipment	25,944	5,951	195				32,100
Senecare Enterprises	34,889	97,501	36,771	22,240			191,401
Southern Connecticut	130,852	64,554	3,465				198,871
Assured Communications							0
Bedford Brands	546,496	378,397	315,317	93,363	71,491	37,570	1,444,634
Budvic							0
Conveyor Controls							0
Corporate Recycling	4,771						4,771
JCSA Worlwide	35,745	21,733	9,795				67,273
Kanlerman, O'Leary		504,704	454,373	301,885	217,005	944,847	2,422,814
Lady Deborah	14,401						14,401
Osmotics	42,069	222,067					264,136
Ricks Professional		22,280					22,280
Synergy Air	12,091	5,756					17,847
Technomedia	137,245	21,740					158,985
Three Rivers	5,332						5,332
Trident Technical		32,626					32,626
Iron Bridge		29,383	62,416	113,781			205,580
Medcomp	46,872	17,748	12,604	1,810			79,034
Medi Trans	379,401	124,694	33,475	16,738			554,308
Medi Translations	203,948	63,981	17,734	17,082			302,745
	3,863,013	3,335,849	1,641,529	622,627	315,437	1,414,731	11,193,186

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED BALANCE SHEET
December 31, 2008

ASSETS

	Per General Ledger	NOTE	Projected Liquidation Basis
CURRENT ASSETS			
Cash	$ 10,458,592		10,458,592
Accounts Receivable	491,035,785		135,000,000
Prepaid Expenses	46,470	Recapitalization	450,000,000
Due From Related Parties	-		
Total Current Assets	501,540,847		
PROPERTY AND EQUIPMENT at cost (Net of Accumulated depreciation)	12,066		
OTHER ASSETS			
Loan Costs, net	-		
Due from Related Parties	55,595,220		
Other Receivables	2,356,565		
Security Deposits	-		
Total Other Assets	57,951,785		
Total Assets	$ 559,504,698		595,469,592

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES			
Accounts Payable	$ 98,400		554,100
Accrued Expenses	7,094,653		7,094,653
Credit Balances of Factoring Clients	10,982,998		
Line of Credit	375,000		375,000
Total Current Liabilities	18,511,051		8,023,753
Notes Payable - Subordinated Debt - Related Party	250,000		250,000
Line of credit	537,804,318		537,804,318
Total Liabilities	556,565,369		546,108,071
STOCKHOLDERS' DEFICIT			
Common Stock ($1.00 par value, 15,000 shares authorized, 300 shares issued and outstanding)	300		300
Paid-In-Capital	154,950		46,506,142
Treasury Stock	(47,500)		-47,500
Accumulated (Deficit)	2,831,579		2,831,579
Total Stockholders' (Deficit)	2,939,329		49,350,521
Total Liabilities and Stockholders' Deficit	$ 559,504,698		$95,458,592

NOTE

Such projections reflect various assumptions made by the Companies concerning anticipated results, which are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Companies and which may or may not prove to be correct. As a result, no representation or warranty is made as to the feasibility or attainability of the projected financial information or the assumptions from which the projected financial information is derived and the actual results may be materially different. There can be no assurance that the projections will be realized.

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Sun Capital Healthcare, Inc. and Sun Capital, Inc.

Attachment VI – Combined Balance Sheet Unaudited

December 31, 2007

	Sun Capital, Inc.	Sun Capital, Healthcare, Inc.	Eliminations	Combined Total
Assets				
Current assets:				
Cash	$ 10,774,691	$ 7,346,470	$ –	$ 18,121,161
Accounts receivable	25,029,926	328,596,774	–	353,626,700
Prepaid expenses	33,820	1,700	–	35,520
Due from related parties	–	55,326,048	(55,326,048)	–
Total current assets	35,838,437	391,270,992	(55,326,048)	371,783,381
Property and equipment at cost (net of accumulated depreciation)	13,629	19,270	–	32,899
Other assets:				
Loan costs, net	–	–	–	-
Due from related parties	8,046,256	18,540,121	–	26,586,377
Other receivables	1,490,601	–	–	1,490,601
Security deposits	–	–	–	–
Total other assets	9,536,857	18,540,121	–	28,076,978
Total assets	$ 45,388,923	$ 409,830,383	$ (55,326,048)	$ 399,893,258
Liabilities and stockholders' deficit				
Current liabilities:				
Accounts payable	$ 29,420	$ 20,744	$ –	$ 50,164
Accrued expenses	266,358	4,440,916	–	4,707,274
Credit balances of factoring clients	4,349,026	41,026,377	–	45,375,403
Line of credit	900,000	300,000	–	1,200,000
Due to related party	55,326,048		(55,326,048)	–
Total current liabilities	60,870,852	45,788,037	(55,326,048)	51,332,841
Notes payable - long term	–	–	–	–
Notes payable - subordinated debt - related party	250,000	–	–	250,000
Line of credit	18,584,647	334,728,579	–	353,313,226
Total liabilities	79,705,499	380,516,616	(55,326,048)	404,896,067
Stockholders' deficit:				
Common stock ($1.00 par value, 7,500 shares authorized, 150 shares issued and outstanding)	150	150	–	300
Paid-in-capital	154,950	–	–	154,950
Treasury stock	(47,500)	–	–	(47,500)
Accumulated (deficit)	(34,424,176)	29,313,617	–	(5,110,559)
Total stockholders' (deficit)	(34,316,576)	29,313,767	–	(5,002,809)
Total liabilities and stockholders' deficit	$ 45,388,923	$ 409,830,383	$ (55,326,048)	$ 399,893,258

6304-0939535

Amendment NO.26

Exhibit C

AMENDMENT TO DEFINITION
OF MAXIMUM AMOUNT OF CREDIT

This AMENDMENT TO CREDIT AND SECURITY AGREEMENT, dated as of January 9, 2009 (this "Amendment"), is by and between SUN CAPITAL HEALTHCARE, INC., a Florida corporation (the "Borrower"), and FOUNDING PARTNERS STABLE-VALUE FUND, L.P. ("Founding Partners").

WITNESSETH

WHEREAS, the parties hereto are the parties to the Credit and Security agreement dated as of June 6, 2002 (as amended, amended and restated or otherwise modified from time to time, the ("Agreement").

WHEREAS, the parties hereto wish to amend the definition of "Maximum Amount of Credit" in the Credit and Security Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Capitalized terms defined in the Credit and Security agreement and used herein without definition shall have the meanings assigned thereto in the Credit and Security Agreement.

SECTION 2. Amendment to credit and Security Agreement.

The definition of Maximum Amount of Credit and Security Agreement is hereby amended and restated to read in its entirety as follows:

"Maximum Amount of Credit" shall mean a dollar amount mutually agreed upon in writing by the Borrower and the Lender. Unless and until the Borrower and the Lender otherwise mutually agree in writing upon a different dollar amount pursuant to an agreement substantially in the form of Exhibit C hereto, the Maximum Amount of Credit shall be Five Hundred Fifty Million Dollars ($550,000,000.00).

SECTION 3 Binding effect: Ratification

This Amendment shall become effective as of the date on which counterparts hereof executed by the parties hereto have been received by Founding Partners, and thereafter shall be binding on the parties hereto and their respective successors and assigns.

Except as expressly amended hereby, the Credit and Security Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 4 Miscellaneous

Sections 16, 17, 18 and 21 of the Credit and Security Agreement are hereby incorporated herein by this reference, and for this purpose all references in such Sections to the Credit and Security Agreement shall be deemed to be references to this Amendment and to the Credit and Security Agreement as amended hereby.

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be duly executed and delivered as of the date first above written

SUN CAPITAL HEALTHCARE, INC.

By: _____
Howard B. Koslow
President and Chief Operating Officer

FOUNDING PARTNERS STABLE-VALUE FUND, L.P.

By Founding Partners Capital Management Company, its General partner

By: _____
William L. Gunlicks
President and Chief Executive Officer

EXHIBIT
tabbies
"D"

CAUSE NO. 09-03561

ANNANDALE PARTNERS LP, ANNANDALE PARTNERS II, LP, BARBARA K. BALDWIN, BELMONT STRATEGIC INCOME FUND, LP., EDWARD D. FALLIN, JR., THEODORE S. FRIES, DONALD L. HAMPTON, KENNY ALLAN TROUTT, as Trustee, on behalf of the KENNY ALLAN TROUTT DESCENDANTS TRUST, MAXWELL HALSTED PARTNERS, LLC, and THE ROCK OF GAINESVILLE, INC.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	DALLAS COUNTY, TEXAS
v.	§	
SUN CAPITAL, INC., SUN CAPITAL HEALTHCARE, INC., PROMISE HEALTHCARE, INC., PETER BARONOFF, HOWARD KOSLOW, and LAWRENCE LEDER,	§	
Defendants.	§	134th JUDICIAL DISTRICT

AFFIDAVIT OF GEORGE SEAY IN SUPPORT OF PLAINTIFFS' APPLICATION FOR TEMPORARY RESTRAINING ORDER, AND TEMPORARY AND PERMANENT INJUNCTIONS

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared George Seay, a person whose identity is known to me, who upon his oath did depose and state:

I.

My name is George Seay. I am over the age of twenty-one (21) years old. I've never been convicted of a crime involving moral turpitude. I have personal knowledge of each and every fact set forth herein. Based on my personal knowledge and my familiarity with the facts

EXHIBIT
tabbies
"9"

described herein, each of the facts stated herein are true and correct, and I am competent to make this Affidavit.

II.

I am the CEO of Annandale Capital, LLC, the General Partner of Annandale Partners LP ("Annandale Partners") and Annandale Partners II LP ("Annandale Partners II") each of which is a Texas limited partnership. Annandale Partners and Annandale Partners II each invested in Founding Partners Stable-Value Fund LP ("Stable-Value Fund"). Principals in our entities also invested in the Founding Partners Stable-Value Fund II ("Stable-Value Fund II").

Sometime in 2006, I learned of Founding Partners generally through other investors. After learning about Stable-Value Fund and Stable-Value Fund II I communicated with William L. Gunlicks, President of the General Partner of Stable-Value Fund and Stable-Value Fund II, and was informed repeatedly that the business of the Stable-Value Funds was and would continue to be investing in accounts receivables of extremely high quality from healthcare facilities. Mr. Gunlicks told me that 90% to 100% of the receivables would be "AA" or "AAA" in quality, with the vast majority Medicare and Medicaid backed "AAA" quality receivables. Mr. Gunlicks represented that any monies invested in Stable-Value Fund would be available for withdrawal and redemption—in cash quarterly upon sixty (60) days written notice. This representation is also set forth in the Confidential Private Placement Memorandum disseminated by Stable-Value Fund. Mr. Gunlicks also represented that any monies invested in Stable-Value Fund II would be available for cash withdrawal and redemption on a monthly basis upon ninety (90) days written notice.

In addition, Mr. Gunlicks, on behalf of the General Partner, represented that loans made to fund the purchase of healthcare receivables by Stable-Value Fund and Stable-Value Fund II would be collateralized according to established, enforced criteria contained in the Security

Agreements executed by Stable-Value and the Sun Capital entities.[1] These criteria would include restrictions that the amount borrowed would never exceed the amount of "investment grade" receivables used to secure such loans. Additionally, it was represented to us that all receivables securing loans from Stable-Value to a group known as the Sun Capital Group would be of "investment grade' and nothing less. Although I now know the so called DSH receivables are included in the portfolio of receivables that are used to secure Stable-Value Funds loans, and Stable-Value Fund II security, I did not learn this information until March, 2009; I also did not learn until March, 2009 that DSH receivables involved substantial, different, and greater risks than other healthcare receivables. During 2008, I also learned the primary investment of Stable-Value Fund II is in Stable-Value Fund as a limited partner.

In addition, I was not informed, and did not know that Sun Capital would use our invested proceeds to acquire any assets other than "investment grade" healthcare receivables. At no time earlier than March, 2009 did I understand Sun Capital had converted the use of our funds to the acquisition of hospitals, entities owning hospitals and other assets, perhaps including real estate and personal loans.

Most recently, on January 8, 2009, I met with Sun Capital principal Mr. Baronoff and other representatives of Sun Capital and Promise Healthcare, Mr. Gunlicks, Johnny Hea of Annandale Capital LLC, Kerri Scott of Mt. Vernon, as well as another representative of Mt. Vernon (Trout Trust). During the meeting, it was readily apparent that Mr. Baranoff and his two partners, Lawrence Leder and Howard Koslow, had placed the majority of their energy and effort behind a sister company to Sun Capital, Promise Healthcare, and were in the awkward position of requiring new, more stable working capital to fund the expansion of their healthcare "empire".

[1] True and correct copies of the Security Agreements are attached hereto and incorporated by reference as Exhibit A and Exhibit B.

Due to the liquidity provisions of the Stable Value Funds, Founding Partners investors were not a stable source of capital for Promise Healthcare or Sun Capital, and would have to be replaced and/or supplemented by new capital and investors. The meeting raised my concerns as to whether Mr. Baranoff, Mr. Koslow, and Mr. Leder were sufficiently focused on Sun Capital and operating that firm with excellence. It appeared to me that their focus and attention were more on Promise Healthcare and its growth and expansion than on Sun Capital or fulfilling their legal obligations to their creditors, the Founding Partners general partner and limited partners. I left the meeting concerned and determined to insure the counterparties to our loan, Mr. Gunlicks, and the General Partner of Founding Partners were all fulfilling their legal duties and handling our money with the appropriate level of care and concern for our financial interests, especially since it was quite clear they had built a significant hospital company and receivables factoring company with our money.

III.

Based on the written and/or verbal representations made by Founding Partners, Sun Capital, Mr. Gunlicks, and the General Partner, the Annandale entities and Annandale clients invested many millions of dollars in Stable-Value Fund and Stable-Value Fun II.

IV.

Many representations, written and/or oral, made by Sun Capital, Mr. Gunlicks and/or the General Partner were false. Receivables making up the security for the Stable-Value Fund loans were not and are not of the quality represented by Sun Capital, Mr. Gunlicks and/or the General Partner. In the same manner, Sun Capital has not used our money in the manner represented. Neither Annandale, nor any other investor, to my knowledge, authorized the conversion of our funds from a secured lien position in accounts receivables to a mixed basket of assets, including a hospital chain that is unsecured, and controlled by Sun Capital's principals.

On January 22, 2009 I met with Sun Capital principals to obtain information on the status of our investment. It was a fact finding mission, after repeated assurances of good faith and repeated representations of appropriate behavior and intentions without accompanying data, facts and information to support the representations. With our money "gated" and illiquid, and with the Sun Capital and Promise Healthcare principals soliciting us for additional capital and for our acquiescence to convert our loan from secured debt into something less secure and more risky, we requested verification of Sun's and Promise's financial condition. We at Annandale were not comfortable with Sun Capital's solicitation or the request. It seemed unattractive and inferior to our financial position as represented previously. I met with Mr. Koslow and Mr. Leder for two hours. Mr. Koslow and Mr. Leder expressed eagerness to raise capital for their hospital company, optimism for the future of that company, but expressed frustration at their ability to run and grow Sun Capital, due to no further capital being available from their lender. They expressed commitment to working with us to try to provide liquidity for redemptions of Founding Partners investors if possible, but I was told directly and bluntly that I was not a client or customer of Sun Capital, that they owed me no fiduciary duties, and that Sun Capital would be "putting their interests first" and protecting their company, their assets, and their financial position.

FURTHER, AFFIANT SAYETH NOT.

George Seay

SUBSCRIBED AND SWORN to before me on this 9th day of July 2009, to certify which witness my hand and seal of office.

LETICIA ANDREA AVILA
MY COMMISSION EXPIRES
June 18, 2010

Notary Public in and for the State of Texas

CAUSE NO. 09-03561

ANNANDALE PARTNERS LP, ANNANDALE PARTNERS II, LP, BARBARA K. BALDWIN, BELMONT STRATEGIC INCOME FUND, LP., EDWARD D. FALLIN, JR., THEODORE S. FRIES, DONALD L. HAMPTON, KENNY ALLAN TROUTT, as Trustee, on behalf of the KENNY ALLAN TROUTT DESCENDANTS TRUST, MAXWELL HALSTED PARTNERS, LLC, and THE ROCK OF GAINESVILLE, INC.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	DALLAS COUNTY, TEXAS
v.	§	
SUN CAPITAL, INC., SUN CAPITAL HEALTHCARE, INC., PROMISE HEALTHCARE, INC., PETER BARONOFF, HOWARD KOSLOW, and LAWRENCE LEDER,	§	
Defendants.	§	ISTRICT

Executed George Seay Affidavits Originals TEXT- PLEASE NOTE HERE

AFFIDAVIT OF GEORGE SE/ NTIFFS' APPLICATION FOR TEMP(RDER, AND TEMPORARY AND ONS

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared George Seay, a person whose identity is known to me, who upon his oath did depose and state:

I.

My name is George Seay. I am over the age of twenty-one (21) years old. I've never been convicted of a crime involving moral turpitude. I have personal knowledge of each and every fact set forth herein. Based on my personal knowledge and my familiarity with the facts

described herein, each of the facts stated herein are true and correct, and I am competent to make this Affidavit.

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[1] True and correct copies of the Security Agreements are attached hereto and incorporated by reference as Exhibit A and Exhibit B.

Due to the liquidity provisions of the Stable Value Funds, Founding Partners investors were not a stable source of capital for Promise Healthcare or Sun Capital, and would have to be replaced and/or supplemented by new capital and investors. The meeting raised my concerns as to whether Mr. Baranoff, Mr. Koslow, and Mr. Leder were sufficiently focused on Sun Capital and operating that firm with excellence. It appeared to me that their focus and attention were more on Promise Healthcare and its growth and expansion than on Sun Capital or fulfilling their legal obligations to their creditors, the Founding Partners general partner and limited partners. I left the meeting concerned and determined to insure the counterparties to our loan, Mr. Gunlicks, and the General Partner of Founding Partners were all fulfilling their legal duties and handling our money with the appropriate level of care and concern for our financial interests, especially since it was quite clear they had built a significant hospital company and receivables factoring company with our money.

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FURTHER, AFFIANT SAYETH NOT.

George Seay

SUBSCRIBED AND SWORN to before me on this 9th day of July 2009, to certify which witness my hand and seal of office.

LETICIA ANDREA AVILA
MY COMMISSION EXPIRES
June 19, 2010

Notary Public in and for the State of Texas

COPY OF SIGNED
CREDIT AGREEMENT

CREDIT AND SECURITY AGREEMENT

between

SUN CAPITAL HEALTHCARE, INC.,
as Borrower,

and

FOUNDING PARTNERS MULTI-STRATEGY FUND, L.P., as Lender

Dated as of June 6, 2000

1015025

EXHIBIT
tabbies
"A"

Amendment NO.5 Exhibit C

INCREASE TO $80 MILLION

AMENDMENT TO DEFINITION OF MAXIMUM AMOUNT OF CREDIT

This AMENDMENT TO CREDIT AND SECURITY AGREEMENT, dated as of November 20, 2003 (this "Amendment"), is by and between SUN CAPITAL HEALTHCARE, INC., a Florida corporation (the "Borrower"), and FOUNDING PARTNERS STABLE-VALUE FUND, L.P. ("Founding Partners").

WITNESSETH

WHEREAS, the parties hereto are the parties to the Credit and Security agreement dated as of June 6, 2002 (as amended, amended and restated or otherwise modified from time to time, the ("Agreement").

WHEREAS, the parties hereto wish to amend the definition of "Maximum Amount of Credit" in the Credit and Security Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Capitalized terms defined in the Credit and Security agreement and used herein without definition shall have the meanings assigned thereto in the Credit and Security Agreement.

SECTION 2. Amendment to credit and Security Agreement.

The definition of Maximum Amount of Credit and Security Agreement is hereby amended and restated to read in its entirety as follows:

"Maximum Amount of Credit" shall mean a dollar amount mutually agreed upon in writing by the Borrower and the Lender. Unless and until the Borrower and the Lender otherwise mutually agree in writing upon a different dollar amount pursuant to an agreement substantially in the form of Exhibit C hereto, the Maximum Amount of Credit shall be eighty million dollars ($80,000,000).

SECTION 3 Binding effect: Ratification

This Amendment shall become effective as of the date on which counterparts hereof executed by the parties hereto have been received by Founding Partners, and thereafter shall be binding on the parties hereto and their respective successors and assigns.

Except as expressly amended hereby, the Credit and Security Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 4 Miscellaneous

Sections 16, 17, 18 and 21 of the Credit and Security Agreement are hereby incorporated herein by this reference, and for this purpose all references in such Sections to the Credit and Security Agreement shall be deemed to be references to this Amendment and to the Credit and Security Agreement as amended hereby.

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be duly executed and delivered as of the date first above written

SUN CAPITAL HEALTHCARE, INC.

By: _____
Howard B. Koslow
President and Chief Operating Officer

FOUNDING PARTNERS STABLE-VALUE FUND, L.P.

By Founding Partners Capital Management Company, Its General partner

By: _____
William L. Gunlicks
President and Chief Executive Officer

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EXHIBITS

Exhibit A Form Lockbox Agreement
Exhibit B Form Purchase and Sale Agreement
Exhibit C Form of Amendment to Definition of Maximum Amount of Credit
Exhibit D Form of Officer's Certificate (Section 5.21)

CREDIT AND SECURITY AGREEMENT

This CREDIT AND SECURITY AGREEMENT, dated as of June 6, 2000, is between SUN CAPITAL HEALTHCARE, INC., a Florida corporation (the "Borrower"), and FOUNDING PARTNERS MULTI-STRATEGY FUND, L.P. ("Founding Partners"), in its capacity as Lender hereunder.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions: Certain Rules of Construction. Certain capitalized terms are used in this Agreement with the specific meanings defined below in this Section 1. Except as otherwise explicitly specified to the contrary or unless the context clearly requires otherwise, (a) the capitalized term "Section" refers to sections of this Agreement, (b) the capitalized term "Exhibit" or "Schedule" refers to an exhibit or schedule to this Agreement, (c) references to a particular Section include all subsections thereof, (d) the word "including" shall be construed as "including without limitation" (without limiting the foregoing, the parties acknowledge that in some places in this Agreement the complete phrase "including without limitation" is already used) , (e) accounting terms not otherwise defined herein have the meaning provided under GAAP, (f) references to a particular statute or regulation include all rules and regulations thereunder and any successor statute, regulation or rules, in each case as from time to time in effect, (g) the meanings of defined terms are equally applicable to the singular and plural forms of such defined terms, (h) the words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement, (i) the word "or" is not exclusive, and (j) references to a particular Person include such Person's successors and assigns to the extent not prohibited by this Agreement. References to "the date hereof" mean the date first set forth above.

1.1. "Accounts" shall have the meaning set forth in the Form Purchase and Sale Agreement.

1.2. "Affiliate" shall mean, with respect to the Borrower (or any other specified Person), any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with the Borrower (or such specified Person), and shall include (a) any officer or director of the Borrower (or such specified Person) and (b) any Person of which the Borrower (or such specified Person) shall, directly or indirectly, beneficially own either (i) at least five percent (5%) of the outstanding equity securities having the general power to vote or (ii) at least five percent (5%) of all equity interests; provided, however, that "Affiliate," with respect to the Borrower or its Affiliates, shall not include Founding Partners or any partner of Founding Partners.

1.3. "Agreement" shall mean this Credit and Security Agreement as it may be amended, amended and restated or otherwise modified from time to time.

1.4. "A.M. Best" shall mean A.M. Best Company, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

1.5. "Amount Paid to Seller" means, with respect to a particular Account, the actual amount paid by the Borrower to the related Seller for such Account pursuant to the related Purchase and Sale Agreement.

1.6. "Applicable Rate" shall mean one and one-half percent (1.5%) per month.

1.7. "Assignee" is defined in Section 12.1.1.

1.8. "Availability Termination Date" shall mean the date that is the Business Day immediately preceding the Final Maturity Date.

1.9. "Bankruptcy Code" shall mean Title 11 of the United States Code.

1.10. "Bankruptcy Default" shall mean an Event of Default contemplated by Section 8.1.11.

1.11. "Borrower" has the meaning set forth in the first paragraph of this Agreement.

1.12. "Borrowing Base" shall mean, on any date, an amount equal to the lesser of (a) the Outstanding Amounts Paid to Sellers with respect to all Purchased Accounts which are Eligible Accounts as of such date, or (b) ninety-four percent (94%) of the result of (i) the Net Collectible Amounts of the Purchased Accounts which are then Eligible Accounts minus (ii) Collections on such Purchased Accounts, in each case as shown on the most recent Weekly Report furnished (or are required to have been furnished) to the Lender in accordance with Section 6.5; provided, however, that the Borrowing Base shall be reduced to zero dollars ($0) at any time the Borrower has failed to furnish the computation of the Borrowing Base in the Weekly Report within one day after such Weekly Report was originally due pursuant to Section 6.5 until such time as the Borrower has duly delivered the Borrowing Base computation with respect to such Weekly Report and Borrower has not omitted the Borrowing Base computation with respect to any succeeding Weekly Report.

1.13. "Borrowing Base Deficiency" shall mean that the Loan Availability does not exceed zero dollars ($0).

1.14. "Business Day" shall mean any day other than (i) Saturday, (ii) Sunday or (iii) a day on which banks in Chicago, Illinois or Naples, Florida are authorized or required by law or other governmental action to close.

1.15. "By-Laws" shall mean all written by-laws, rules, regulations and all other documents relating to the management, governance or internal regulation of any Person other than an individual, all as from time to time in effect.

1.16. "Capital Expenditures" shall mean, for any period, amounts added or required to be added to the property, plant and equipment or other fixed assets account on the balance sheet of the Borrower, prepared in accordance with GAAP, in respect of (a) the acquisition, construction, improvement or replacement of land, buildings, machinery, equipment, leaseholds and any other real or personal property, (b) to the extent not included in clause (a) above, materials, contract labor and direct labor relating thereto (excluding amounts properly expensed as repairs and maintenance in accordance with GAAP) and (c) software development costs to the extent not expensed.

1.17. "Capitalized Lease" shall mean any lease which is required to be capitalized on the balance sheet of the lessee in accordance with GAAP.

1.18. "Capitalized Lease Obligations" shall mean the amount of the liability reflecting the aggregate discounted amount of future payments under all Capitalized Leases calculated in accordance with GAAP:

1.19. "CHAMPUS" shall mean the United States Civilian Health and Medical Program of the Uniformed Services.

1.20. "Change of Ownership Event" shall mean any point in time in which the individuals referred to in Section 7.26 (excluding their respective successors and assigns) shall cease to collectively own directly one hundred percent (100%) of the issued and outstanding shares of voting stock of the Borrower, free and clear of all Liens.

1.21. "Closing Date" shall mean the Initial Lending Date and each other date on which any Loan is made pursuant to Section 2.1.

1.22. "Code" means the Internal Revenue Code of 1986, as amended.

1.23. "Collateral" shall mean all of the Property and interests in Property described in Section 10.1, and all other Property and interests in Property that now or hereafter secure the payment or performance of any of the Credit Obligations.

1.24. "Collection Account" means the "Purchaser Collection Account" referred to in the Form Lockbox Agreement.

1.25. "Collections" shall mean all funds (regardless of whether in the form of cash, checks, money orders, wire transfers, automatic clearinghouse transfers, money-grams or otherwise) paid by any Person in payment of or in respect of any Account or any fee or other amount paid to the Borrower under a Purchase and Sale Agreement.

1.26. "Constituent Documents" shall mean, with respect to any non-individual Person: if such Person is a corporation, its certificate of incorporation and By-Laws; if such Person is a limited partnership, its certificate of limited partnership and its limited partnership agreement; and if such

Person is a limited liability company, its certificate of formation and its limited liability company agreement.

1.27. "Credit Obligations" shall mean the Loans and all present and future liabilities, obligations and Indebtedness of the Borrower owing to the Lender (or any Affiliate of the Lender) under or in connection with this Agreement or any other Program Document, including obligations in respect of principal, interest, amounts provided for in Sections 3.2, 3.3 and 9 and other fees, charges, indemnities and expenses from time to time owing hereunder or under any other Program Document (whether accruing before or after a Bankruptcy Default).

1.28. "Credit Participant" is defined in Section 12.2.

1.29. "Date of Service" shall mean, with respect to medical services rendered or goods provided to an individual, the date on which such services or goods were provided to that individual.

1.30. "Debtor Relief Laws" shall mean the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshaling of assets or similar debtor relief laws of the (a) United States, (b) any state or (c) any foreign country from time to time in effect.

1.31. "Default" shall mean (a) any Event of Default, or (b) any event, circumstance or condition which with the passage of time or giving of notice, or both, would become an Event of Default.

1.32. "Defaulted Account", on any date of determination, shall mean a Purchased Account (i) as to which (x) at least one hundred twenty (120) days have passed since the Date of Service for such Purchased Account and (y) the Third Party Obligor thereof has not paid to a Lockbox or a Lockbox Account an amount at least equal to the sum of the Amount Paid to Seller for such Purchased Account plus the Discount Fee for such Purchased Account, or (ii) the Third Party Obligor of which is a party to a proceeding provided under any Debtor Relief Law (other than solely as a creditor or a claimant).

1.33. "Discount Fee" shall mean, as of any date of determination, the aggregate "discount fee" accrued with respect to a particular Purchased Account determined in accordance with the related Purchase and Sale Agreement.

1.34. "Distribution" shall mean, with respect to the Borrower (or other specified Person):

(a) the declaration or payment of any dividend or distribution, including dividends payable in shares of capital stock of or other equity interests in the Borrower (or such specified Person), on or in respect of any shares of any class of capital stock of or other equity interests in the Borrower (or such specified Person);

(b) the purchase, redemption or other retirement of any shares of any class of capital stock of or other equity interest in the Borrower (or such specified Person) or of options, warrants or other rights for the purchase of such shares, directly, indirectly, through a Subsidiary or otherwise;

(c) any other distribution on or in respect of any shares of any class of capital stock of or equity or other beneficial interest in the Borrower (or such specified Person);

(d) any payment with respect to, or any purchase, redemption or defeasance of, any Indebtedness of the Borrower (or such specified Person);

(e) any payment, loan or advance by the Borrower (or such specified Person) to, or any other Investment by the Borrower (or such specified Person) in, the holder of any shares of any class of capital stock of or other equity interests in the Borrower (or such specified Person), or any Affiliate of such holder, including the payment of management and transaction fees; and

(f) any other cash payments by the Borrower to any Person (other than to the Lender or as permitted or directed by the Lender).

1.35. "Dollars" or "$" shall mean United States Funds.

1.36. "Effective Date" shall mean the first date upon which each of the conditions precedent set forth in Section 5.1 shall have been satisfied or waived to the satisfaction of the Lender.

1.37. "Eligible Account" shall mean an Account:

(a) that is payable in United States dollars, for health care services rendered or health care goods provided by a health care provider in the United States, by a Third Party Obligor satisfactory to the Lender;

(b) that is not a Defaulted Account;

(c) as to which the Purchase Date is not more than sixty (60) days after the applicable Date of Service;

(d) which was billed to the Third Party Obligor prior to its Purchase Date;

(e) as to which the Borrower has good and marketable title free and clear of all Liens (other than Liens in favor of the Lender);

(f) as to which the Lender has a fully perfected first priority security interest;

(g) as to which an Obligor Notice has been received by the Third Party Obligor thereof;

(h) which is not evidenced by "chattel paper" (as presently or hereafter defined in the UCC) or an "instrument" (as presently or hereafter defined in the UCC);

(i) if the Seller of such Account is not party to a proceeding under any Debtor Relief Law (other than solely as a creditor); and

(j) as to which all of the representations and warranties made by the applicable Seller in the applicable Purchase and Sale Agreement are true and correct.

1.38. "Eligible Investments" shall mean any one or more of the following types of investments (having original maturities or remaining maturities of no more than thirty (30) days):

(a) direct interest-bearing obligations of, and interest bearing obligations guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States; and direct interest-bearing obligations of, and interest-bearing obligations guaranteed as to timely payment of principal and interest by, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(b) demand or time deposits in, certificates of deposit of, or bankers' acceptances issued by any depository institution or trust company organized under the laws of the United States or any State and subject to supervision and examination by federal or state banking authorities; provided that the short-term unsecured debt obligations of such depository institution or trust company at the time of such investment, or contractual commitment providing for such investment, are rated in the highest short-term rating category by at least one Rating Agency;

(c) securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States or any State whose long-term unsecured debt obligations are rated in the highest rating category by at least one Rating Agency at the time of such investment or contractual commitment providing for such investment;

(d) commercial paper that is payable in United States dollars and is rated in the highest short-term rating category by at least one Rating Agency;

(e) investments in money market funds having a long term rating in the highest rating category by at least one Rating Agency; and

(f) any other investment approved in writing by the Lender.

1.39. "EOB" shall mean the explanation of benefits, remittance advice or other record that is provided by a Third Party Obligor setting forth the amount it shall or shall not pay with respect to a Receivable on which it is the Third Party Obligor.

1.40. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

1.41. "ERISA Affiliate" shall mean with respect to any Person, at any time, each trade or business (whether or not incorporated) that would, at the time, be treated together with such Person as a single employer under Section 4001 of ERISA or Sections 414(b), (c), (m) or (o) of the Code.

1.42. "Event of Default" is defined in Section 8.1.

1.43. "Final Maturity Date" shall mean the first Business Day that is five years after the date hereof or such other date as may be agreed upon in writing by all of the parties hereto from time to time.

1.44. "Form Lockbox Agreement" shall mean the form of Wholesale Lockbox Deposit and Blocked Account Service Agreement with Provider attached as Exhibit A hereto.

1.45. "Form Purchase and Sale Agreement" shall mean the form of Master Purchase and Sale Agreement attached as Exhibit B hereto.

1.46. "Founding Partners" is defined in the preamble to this Agreement.

1.47. "GAAP" shall mean generally accepted accounting principles in the United States of America as from time to time in effect, including the statements and interpretations of the United States Financial Accounting Standards Board.

1.48. "General Intangibles" shall mean: (a) all general intangibles (as presently or hereafter defined in the UCC); (b) all choses in action, causes of action, corporate or other business books and records, deposit accounts, investments made with funds in deposit accounts (including without limitation Eligible Investments), inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, rights to royalties, blueprints, drawings, confidential information, catalogs, sales literature, video tapes, consulting agreements, employment agreements, customer lists, tax refund claims, tax refund payments, computer programs, insurance policies, deposits with insurers, and all claims under guaranties; (c) all interests in or claims in or under any policy of insurance; (d) all security interests or other security held by any Person; (e) all rights to indemnification; and (f) all other intangible property of every kind and nature.

1.49. "Governmental Accounts" shall have the meaning set forth in the Form Purchase and Sale Agreement.

1.50. "Government Obligor" or "Governmental Obligor" shall mean a Governmental Entity that is obligated to make any payments with respect to Accounts representing amounts owing under Medicaid, Medicare or any other program established by federal or state law which provides for payments for health care goods or services to be made to the providers of such goods or services (including, without limitation, CHAMPUS and the program set forth in Title 38 U.S.C. Section 1713).

1.51. "Governmental Authority" shall mean the United States of America, any State thereof or the District of Columbia, any political subdivision of any of the foregoing, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.52. "Governmental Entity" shall mean the United States of America, any State thereof or the District of Columbia, any political subdivision of any of the foregoing and any department, agency or instrumentality of any of the foregoing (including, without limitation, HCFA) or any fiscal intermediary thereof.

1.53. "Gross Amount" shall mean, with respect to an Account, the gross amount billed to the applicable Third Party Obligor with respect to such Account.

1.54. "Guarantee" shall mean, with respect to the Borrower (or other specified Person):

(a) any guarantee by the Borrower (or such specified Person) of the payment or performance of, or any contingent obligation by the Borrower (or such specified Person) in respect of, any Indebtedness or other obligation of any primary obligor;

(b) any other arrangement whereby credit is extended to a primary obligor on the basis of any promise or undertaking of the Borrower (or such specified Person), including any "comfort letter" or "keep well agreement" written by the Borrower (or such specified Person), to a creditor or prospective creditor of such primary obligor, (i) to pay the Indebtedness of such primary obligor, (ii) to purchase an obligation owed by such primary obligor, (iii) to pay for the purchase or lease of assets or services regardless of the actual delivery thereof or (iv) to maintain the capital, working capital, solvency or general financial condition of such primary obligor;

(c) any liability of the Borrower (or such specified Person), as a general partner of a partnership in respect of Indebtedness or other obligations of such partnership;

(d) any liability of the Borrower (or such specified Person) as a joint venturer of a joint venture in respect of Indebtedness or other obligations of such joint venture;

(e) any liability of the Borrower (or such specified Person) with respect to the tax liability of others as a member of a group (other than a group consisting solely of the Borrower and its Subsidiaries) that is consolidated for tax purposes; and

(f) reimbursement obligations, whether contingent or matured, of the Borrower (or such specified Person) with respect to letters of credit, bankers acceptances, surety bonds, other financial guarantees and Interest Rate Protection Agreements,

whether or not any of the foregoing are reflected on the balance sheet of the Borrower (or such specified Person) or in a footnote thereto, provided , however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee and the amount of Indebtedness resulting from such Guarantee shall be the maximum amount that the guarantor may become obligated to pay in respect of the obligations (whether or not such obligations are outstanding at the time of computation) and, for purposes of covenant calculations, shall be without duplication of guaranteed Indebtedness that is already included in such calculations.

1.55. "HCFA" shall mean the Health Care Financing Administration of the United States Department of Health and Human Services.

1.56. "Holding Account" shall mean account number 0494002031891 in the name of the Borrower and held by SunTrust, or such other account as the Borrower and the Lender may mutually designate in writing from time time as the "Holding Account".

1.57. "Indebtedness" shall mean all obligations, contingent or otherwise, which in accordance with GAAP are required to be classified upon the face of the balance sheet of the Borrower (or other specified Person) as liabilities, but in any event including (without duplication):

(a) borrowed money;

(b) indebtedness evidenced by notes, debentures or similar instruments;

(c) Capitalized Lease Obligations;

(d) the deferred purchase price of assets or securities, including related noncompetition, consulting and stock repurchase obligations;

(e) mandatory redemption or dividend rights on capital stock (or other equity);

(f) reimbursement obligations, whether contingent or matured, with respect to letters of credit, bankers acceptances, surety bonds, other financial guarantees and Interest Rate Protection Agreements (without duplication of other Indebtedness supported or guaranteed thereby);

(g) liabilities secured by any Lien existing on property owned or acquired by the Borrower (or such specified Person), whether or not the liability secured thereby shall have been assumed;

(h) unfunded pension liabilities;

(i) obligations that are immediately and directly due and payable out of the proceeds of or production from property; and

(j) all Guarantees in respect of Indebtedness of others.

1.58. "Indemnified Amounts" shall mean any and all claims, damages, expenses, losses, liabilities, penalties, judgments, suits, actions, costs, charges, and disbursements, including without limitation fees and other charges of any law firm or other counsel.

1.59. "Indemnified Parties" shall mean the Lender, the partners of the Lender, and any officer, director, employee, agent, law firm or other counsel for any of the Lender or any partner of the Lender.

1.60. "Initial Lending Date" shall mean the date on which the first Loan is made by Lender to the Borrower pursuant to Section 2.1.

1.61. "Insolvency" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

1.62. "Interest Rate Protection Agreement" shall mean any interest rate swap, interest rate cap, interest rate hedge or other contractual arrangement that converts variable interest rates into fixed interest rates, fixed interest rates into variable interest rates or other similar arrangements.

1.63. "Investment" shall mean, with respect to the Borrower (or other specified Person):

(a) any share of capital stock, partnership or other equity interest, evidence of Indebtedness or other security issued to the Borrower (or other specified Person) by any other Person;

(b) any loan, advance or extension of credit by the Borrower (or other specified Person) to, or contribution to the capital of, any other Person;

(c) any Guarantee by the Borrower (or other specified Person) of the Indebtedness of any other Person;

(d) any acquisition by the Borrower (or other specified Person) of all, or any division or similar operating unit of, the business of any other Person or the assets comprising such business, division or unit; and

(e) any other similar investment.

The investments described in the foregoing clauses (a) through (e) shall be included in the term "Investment" whether they are made or acquired by purchase, exchange, issuance of stock or other securities, merger, reorganization or any other method.

1.64. "Judgment Measurement Amount" means the result of (a) the Borrowing Base, less (b) the sum of (i) the outstanding principal amount of the Loans plus (ii) accrued and unpaid interest on the Loans.

1.65. "Legal Requirement" shall mean any present or future requirement imposed upon the Lender or the Borrower by any law, statute, rule, regulation, directive, order, decree, guideline (or any interpretation thereof by courts or of administrative bodies) of the United States of America, or any state or political subdivision of any of the foregoing, or by any board, governmental or administrative agency, or any political subdivision of any of the foregoing.

1.66. "Lender" shall mean Founding Partners and its successors and assigns.

1.67. "Lien" shall mean, with respect to the Borrower (or any other specified Person):

(a) any lien, encumbrance, mortgage, pledge, charge or security interest of any kind upon any property or assets of the Borrower (or such specified Person), whether now owned or hereafter acquired, or upon the income or profits therefrom;

(b) the acquisition of, or the agreement to acquire, any property or asset upon conditional sale or subject to any other title retention agreement, device or arrangement (including a Capitalized Lease);

(c) the sale, assignment, pledge or transfer for security of any accounts, general intangibles or chattel paper of the Borrower (or such specified Person), with or without recourse;

(d) the transfer of any tangible property or assets for the purpose of subjecting such items to the payment of previously outstanding Indebtedness in priority to payment to the general creditors of the Borrower (or such specified Person);

(e) any lease in the nature of a security interest; and

(f) the filing of or agreement to file or deliver any financing statement under the UCC or comparable law of any jurisdiction,

1.68. "Loan" is defined in Section 2.1.4.

1.69. "Loan Availability" shall mean, as at any date, an amount equal to the result of:

(a) the lesser of (i) the Maximum Amount of Credit, and (ii) the sum of (x) the Borrowing Base after giving effect to any Eligible Accounts to be acquired on such date with the Loans plus (y) the amount on deposit in the Holding Amount; minus

(b) the sum of (i) the then aggregate outstanding principal amount of all Loans plus (ii) the accrued and unpaid interest on the Loans (provided that this clause (b)(ii) shall apply commencing on the one hundred twentieth (120th) day after the date of this Agreement, provided, further, that from and after such one hundred twentieth (120th) day, this clause (b)(ii) shall include accrued and unpaid interest on the Loans from and after the Initial Lending Date).

During the first one hundred twenty (120) days after the date of this Agreement, the amount of the initial Loan under this Agreement "netted" to pay legal fees of the Lender's counsel in accordance with Section 5.1(g) shall not be subtracted pursuant to clause (b) above for purposes of calculating Loan Availability.

1.70. "Lockbox" shall mean a Purchaser Lockbox or a Provider Lockbox.

1.71. "Lockbox Account" shall mean a Purchaser Lockbox Account or a Provider Lockbox Account.

1.72. "Lockbox Agreement" shall mean an agreement among the Borrower, a Seller and a Lockbox Bank, and such other Person or Persons as may be acceptable to the Lender, as such agreement may be amended, amended and restated or otherwise modified from time to time.

1.73. "Lockbox Bank" shall mean any bank approved in writing by the Lender to maintain a Lockbox and Lockbox Account pursuant to a Lockbox Agreement. As of the date of this Agreement, the only bank approved by the Lender for purposes of the preceding sentence is SunTrust.

1.74. "Material Adverse Effect" shall mean a material adverse effect on: (a) the condition (financial or otherwise), business, performance, operations, properties, profits or prospects of the Borrower; (b) the Purchased Accounts or the legality, validity, transferability or enforceability of the Purchased Accounts; (c) the rights and remedies of the Lender under or in connection with any Program Document; (d) the ability of the Borrower to perform its obligations under any Program Document to which it is a party or enforce its rights under any Program Document to which it is a party; or (e) the overall reliability of the Borrower's reporting and control procedures under any Program Document.

1.75. "Maximum Amount of Credit" shall mean a dollar amount mutually agreed upon in writing by the Borrower and the Lender. Unless and until the Borrower and the Lender otherwise mutually agree in writing upon a different dollar amount pursuant to an agreement substantially in the form of Exhibit C hereto, the Maximum Amount of Credit shall be two million dollars ($2,000,000).

1.76. "Medicaid" shall mean the government program established by Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq.

1.77. "Medicare" shall mean the government program established by Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395 et seq.

1.78. "Moody's" shall mean Moody's Investors Service, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

1.79. "Multiemployer Plan" shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which contributions are or have been made during the preceding five (5) years by any Person or any ERISA Affiliate of such Person.

1.80. "Net Collectible Amount" shall mean, with respect to any Account, the amount determined as such in accordance with the related Purchase and Sale Agreement.

1.81. "Non-Government Obligor" shall mean a Third Party Obligor which is not a Government Obligor.

1.82. "Non-Government Obligor Reserve Account" shall mean a deposit account held by a bank that is acceptable at all times to the Lender.

1.83. "Obligor Notice" means. (a) with respect to a Third Party Obligor which is a Non-Government Obligor, a notice in the form of Exhibit C to the Form Purchase and Sale Agreement, and (b) with respect to a Third Party Obligor which is a Government Obligor, a notice in the form of Exhibit D to the Form Purchase and Sale Agreement.

1.84. "Officer's Certificate" shall mean a certificate signed by an officer of the Borrower.

1.85. "Operating Account" shall mean account number 0494002031902 in the name of the Borrower and held by SunTrust, or such other account as the Borrower and the Lender may mutually designate in writing from time to time as the "Operating Account".

1.86. "Outstanding Amount Paid to Seller", with respect to a Purchased Account, shall mean the greater of (i) the Amount Paid to Seller for such Purchased Account minus Collections with respect to such Purchased Account and (ii) zero, and "Outstanding Amounts Paid to Sellers" means the sum of the Outstanding Amount Paid to Seller for each Purchased Account.

1.87. "Overdue Reimbursement Rate" shall mean, at any date, a per annum rate equal to the sum of (a) two percent (2%) plus (b) the annualized Applicable Rate then in effect.

1.88. "PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor entity.

1.89. "Person" shall mean any present or future natural person or any corporation, association, partnership, joint venture, limited liability company, joint stock company or other company, business trust, trust, organization, business or government or any governmental agency or political subdivision thereof.

1.90. "Plan" shall mean, with respect to any Person, any employee pension benefit plan that (a) is maintained by such Person or any ERISA Affiliate of such Person, or to which contributions by any such Person are required to be made or under which such Person has or could have any liability, (b) is subject to the provisions of Title IV of ERISA and (c) is not a Multiemployer Plan.

1.91. "Plan Event" shall mean, with respect to any Person, (a) the provision of a notice of intent to terminate any Plan under Section 4041 of ERISA other than in a "standard termination", (b) the receipt of any notice by any Plan to the effect that the PBGC intends to apply for the appointment of a trustee to administer any Plan, (c) the termination of any Plan which results in any material liability of such Person, (d) the withdrawal of such Person or any ERISA Affiliate of such Person from any Plan described in Section 4063 of ERISA which could be reasonably expected to result in a material liability of such Person, (e) the complete or partial withdrawal of such Person or any ERISA Affiliate of such Person from any Multiemployer Plan which can be reasonably anticipated to result in a material liability of such Person, (f) a Reportable Event or an event described in Section 4068(f) of ERISA which may result in a material liability of such Person, and (g) any other event or condition which under ERISA or the Code could be reasonably expected to constitute grounds for the imposition of a lien on the assets of such Person in respect of any Plan or Multiemployer Plan.

1.92. "Proceeding" shall mean any lawsuit, investigation, action, counterclaim, litigation or other judicial or administrative proceeding.

1.93. "Program Documents" shall mean this Agreement, each Purchase and Sale Agreement, each Lockbox Agreement, the SunTrust Master Agreement, any guaranty made by any Person in favor of the Lender with respect to the obligations of the Borrower, and any brokerage agreement, other agreement, certificate, promissory note, UCC financing statement, report, financial statement, instrument, insurance policy, surety bond, application for an insurance policy or surety bond, or other document delivered pursuant to or in connection with any of the foregoing.

1.94. "Property" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

1.95. "Provider Lockbox" shall mean a post office box or lockbox maintained pursuant to a Lockbox Agreement for the purpose of receiving checks and other forms of Collections and EOBs from Governmental Obligors.

1.96. "Provider Lockbox Account" shall mean an account maintained at a Lockbox Bank for the purpose of depositing checks and other forms of Collections, and receiving wire transfers and other electronic funds transfers, in each case on account of Governmental Accounts.

1.97. "Purchase and Sale Agreement" shall mean a purchase and sale agreement between the Borrower and a Seller, as such Purchase and Sale Agreement may be amended, amended and restated or otherwise modified from time to time. Any reference to the "related" or the "applicable" Purchase and Sale Agreement shall be a reference to the Purchase and Sale Agreement under which a particular Account was purchased by the Borrower.

1.98. "Purchase Date" shall mean, with respect to any Account, the related Weekly Closing Date.

1.99. "Purchased Accounts" shall mean Accounts which are purchased by the Borrower from a Seller pursuant to a Purchase and Sale Agreement.

1.100. "Purchaser Lockbox" shall mean a post office box or lockbox maintained pursuant to a Lockbox Agreement for the purpose of receiving checks and other forms of Collections and EOBs from Third Party Obligors other than Governmental Obligors.

1.101. "Purchaser Lockbox Account" shall mean an account maintained by the Borrower at a Lockbox Bank for the purposes of depositing checks and other forms of Collections from Third Party Obligors, and receiving wire transfers and other electronic funds transfers from Third Party Obligors, in each case with respect to Accounts other than Governmental Accounts.

1.102. "Rating Agency" shall mean Moody's, S&P or A.M. Best.

1.103. "Receivables" shall mean: (a) all accounts (as presently or hereafter defined in the UCC); and (b) without limiting the foregoing, all Accounts (as defined in the Form Purchase and Sale Agreement).

1.104. "Regulations" shall mean the regulations promulgated under the Code.

1.105. "Related Property" shall mean, with respect to any Account, all of the Borrower's right, title and interest in, to and under (a) the related Purchase and Sale Agreement, including, without limitation, all amounts due and to become due to the Borrower under such Purchase and Sale Agreement, and all rights, remedies, powers, privileges and claims of the Borrower under such Purchase and Sale Agreement (whether arising pursuant to the terms of such Purchase and Sale Agreement or otherwise available to the Borrower at law or in equity), and (b) all related EOBs, records and all rights (but not obligations) relating to such Accounts.

1.106. "Reorganization" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is in reorganization within the meaning of Section 4241 of ERISA.

1.107. "Reportable Event" shall mean any of the events set forth in Section 4043(c) of ERISA.

1.108. "Requirements of Law" for any Person shall mean any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, whether Federal, state or local, in each case applicable to or binding upon such Person or to which such Person is subject.

1.109. "Revocation Order" shall mean a request, direction or order by a Seller to a Lockbox Bank which is inconsistent with the terms of the applicable Lockbox Agreement.

1.110. "SCI" means Sun Capital Inc., a Florida corporation.

1.111. "Seller" shall mean a Person which sells or has sold Accounts to the Borrower pursuant to a Purchase and Sale Agreement.

1.112. "Senior Officer" shall mean the chief executive officer, chairman or president of the Borrower, all of whose incumbency and signatures have been certified to the Lender by the secretary or other appropriate attesting officer of the Borrower.

1.113. "Solvent" shall mean, with respect to any Person, that (i) fair value of the property of the Person is, on the date of determination, greater than the total amount of liabilities (including contingent liabilities) of the Person as of that date, (ii) as of that date, the Person is able to pay all liabilities of the Person as those liabilities mature, and (iii) the Person does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage. In computing the amount of contingent liabilities at any time, it is intended that they be computed at the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can reasonably be expected to become an actual or matured liability.

1.114. "Standard & Poor's" or "S&P" shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto which is a nationally recognized statistical ratings organization.

1.115. "Subsidiary" shall mean any Person of which the Borrower (or other specified Person) shall at the time, directly or indirectly through one or more of its Subsidiaries, (a) own at least fifty percent (50%) of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally, (b) hold at least fifty percent (50%) of the partnership, joint venture or similar interests or (c) be a managing general partner or managing joint venturer.

1.116. "Sun Capital Entity" shall mean the Borrower, SCI, and any Affiliate of any of the foregoing.

1.117. "SunTrust" shall mean SunTrust Bank.

1.118. "SunTrust Master Agreement" shall mean the Master Wholesale Lockbox Deposit and Blocked Account Service Agreement among SunTrust, the Borrower and the Lender, as the same may be amended, amended and restated or otherwise modified from time to time.

1.119. "Tax" shall mean any present or future tax, levy, duty, impost, deduction, withholding or other charges of whatever nature at any time required by any Legal Requirement (a) to be paid by the Lender or (b) to be withheld or deducted from any payment otherwise required hereby to be made to the Lender, in each case on or with respect to any obligations hereunder, any Loan, or any payment in respect of the Credit Obligations not included in the foregoing; provided, however, that the term "Tax" shall not include taxes imposed upon or measured by the net income of the Lender (other than withholding) or franchise taxes.

1.120. "Termination Date" shall mean the date upon which all the commitments of the Lender to advance funds to the Borrower hereunder have been terminated, and all fees, expenses and Credit Obligations owing by the Borrower or any other Borrower to the Lender hereunder or under any other Program Document have been indefeasibly paid in full.

1.121. "Third Party Obligor" shall have the meaning specified in the Form Purchase and Sale Agreement.

1.122. "UCC" shall mean the Uniform Commercial Code, as amended from time to time, as in effect in any specified or applicable jurisdiction.

1.123. "United States Funds" shall mean such coin or currency of the United States of America as at the time shall be legal tender therein for the payment of public and private debts.

1.124. "Weekly Closing Date" shall have the meaning set forth in the Form Purchase and Sale Agreement.

1.125. "Weekly Report" shall mean a report prepared by the Borrower in form and substance reasonably satisfactory to the Lender.

1.126. "Written" or "in writing" shall mean any form of written communication, including by means of facsimile transmission.

2. Credit; Application of Proceeds.

2.1. The Credit.

2.1.1. Loans. Subject to all the terms and conditions of this Agreement, including the conditions set forth in Section 5.1 and Section 5.2, and so long as no Default exists, either immediately before or after giving effect to such Loan, from time to time on and after the Effective Date and prior to the earlier of (a) the termination of this Agreement in accordance with the terms hereof and (b) the Availability Termination Date, the Lender shall

make Loans to the Borrower; provided that the aggregate outstanding principal amount of the Loans shall not exceed the Maximum Amount of Credit. Loans shall be made in accordance with the procedures set forth in Section 2.1.3.

2.1.2. Borrowing Requests. The Borrower may from time to time request a Loan under Section 2.1.1 by providing to the Lender a notice in writing. Such notice must be received by the Lender not later than noon (Chicago time) three Business Days prior to the requested Closing Date for such Loan (or, in the case of the first Loan under this Agreement, at least one Business Day prior to the Initial Lending Date). The notice must specify (a) the amount of the requested Loan (which shall be not less than one hundred thousand dollars ($100,000)) and (b) the requested Closing Date therefor (which shall be a Business Day).

2.1.3. Making of Loans. Subject to Section 2.1.1 and subject to the other terms and conditions of this Agreement, on each Closing Date requested by the Borrower pursuant to Section 2.1.2, the Lender shall deposit the amount of the requested Loan in the Holding Account. The Borrower may withdraw funds (or cause funds to be withdrawn) from the Holding Account without the signature of the Lender; provided, that funds shall be withdrawn from the Holding Account only (a) to purchase Accounts directly from a Seller pursuant to a Purchase and Sale Agreement or to (b) to make payments directly to the Lender for application in accordance with Section 4.5.2; provided, further, that no funds shall be withdrawn from the Holding Account to purchase Accounts from a Seller if any Default exists on the date of such withdrawal or would exist after giving effect to such withdrawal; provided, further, however, that upon the occurrence of an Event of Default, all amounts on deposit in the Holding Account shall be paid to the Lender for application in accordance with Section 4.5.2.

2.1.4. Loans; No Note. The aggregate principal amount of the extensions of credit under this Agreement outstanding from time to time may be referred to herein as the "Loan" or the "Loans". The Borrower's obligations to repay the Loans to the Lender shall not be evidenced by a promissory note of the Borrower unless the Lender consents in writing thereto.

2.2. Application of Proceeds. The Borrower shall apply the proceeds of the Loans to pay the purchase price of Accounts to a Seller pursuant to a Purchase and Sale Agreement. The Borrower shall not borrow any funds from the Lender unless such funds are applied for the foregoing purpose or unless such funds are used to make payments to the Lender in accordance with Section 2.1.3.

3. Interest.

3.1. Interest. The Loans shall accrue and bear interest at the Applicable Rate (or the Overdue Reimbursement Rate, if applicable). Prior to any accelerated maturity of the Loans, the Borrower shall pay accrued and unpaid interest on the Loans to the Lender on the first day of each calendar month and on the Final Maturity Date. Upon any accelerated maturity of any of the Credit

Obligations pursuant to Section 8.2.3, the Borrower shall pay the Lender immediately all accrued and unpaid interest on the Loans. Upon the occurrence and during the continuance of an Event of Default, the Borrower shall pay interest on the Loans and any other amounts payable by the Borrower hereunder (including overdue interest, to the extent permitted by law) at the Overdue Reimbursement Rate for the period commencing on the date of such Event of Default until such Event of Default is cured or waived, as acknowledged in writing by Lender.

3.2. Computations of Interest. For purposes of this Agreement, interest (and any other amount expressed as interest) shall be computed for actual days elapsed on the basis of a year of twelve (12) months having thirty (30) days each, provided that this shall not be construed to limit the per month interest calculation contemplated by the definition of Applicable Rate. If any payment required by this Agreement becomes due on any day that is not a Business Day, such payment shall be made on the next succeeding Business Day. If the due date for any payment of interest or principal is extended as a result of the immediately preceding sentence, interest shall be payable for the time during which payment is extended at the Applicable Rate (or the Overdue Reimbursement Rate, if applicable).

3.3. Taxes, Etc.

3.3.1. Taxes. All payments of the Credit Obligations shall be made without set-off or counterclaim and free and clear of any deductions, including deductions for Taxes, unless the Borrower is required by law to make such deductions. If after the date hereof (a) the Lender shall be subject to any Tax with respect to any payment of the Credit Obligations or its obligations hereunder or (b) the Borrower shall be required to withhold or deduct any Tax on any payment on the Credit Obligations, then the Lender may claim compensation from the Borrower under Section 3.3.2. Whenever Taxes must be withheld by the Borrower with respect to any payments of the Credit Obligations, the Borrower shall promptly pay such Taxes and shall promptly furnish to the Lender the official receipts (to the extent that the relevant governmental authority delivers such receipts) evidencing payment of any such Taxes so withheld or deducted. If the Borrower fails to pay any such Taxes when due or fails to remit to the Lender the required receipts evidencing payment of any such Taxes so withheld or deducted, the Borrower shall indemnify the Lender for any incremental Taxes and interest or penalties that may become payable by the Lender as a result of any such failure.

3.3.2. Compensation Claims. Within ten (10) days after the receipt by the Borrower of a certificate from the Lender setting forth why it is claiming compensation under this Section 3.3 and computations (in reasonable detail) of the amount thereof, the Borrower shall pay to the Lender such additional amounts as the Lender sets forth in such certificate as sufficient fully to compensate it on account of the foregoing provisions of this Section 3.3, together with interest on such amount from the tenth (10th) day after receipt of such certificate until payment in full thereof at the Overdue Reimbursement Rate. The determination by the Lender of the amount to be paid to it and the basis for computation

thereof hereunder shall, in the absence of manifest error, be conclusive. In determining such amount, the Lender may use any reasonable averaging and attribution methods.

4. Payment.

4.1. Debiting of Interest Payments. The Borrower shall cause the bank holding the Operating Account to remit by wire transfer on the first day of each calendar month, from the Operating Account to a bank account designated by the Lender from time to time, all accrued and unpaid interest on the Loans as of such day. This Section 4.1 shall apply from and after the one hundred twentieth (120th) day following the date of this Agreement. Notwithstanding any other term or provision of this Agreement, interest shall accrue on the Loans commencing on the Initial Lending Date.

4.2. Payment Upon Maturity. On the Final Maturity Date, the Borrower shall pay to the Lender an amount equal to the outstanding principal amount of the Loans, together with all accrued and unpaid interest and fees with respect thereto. On the accelerated maturity of the Loans in accordance with Section 8.2.3, the Borrower shall pay to the Lender all Credit Obligations then outstanding.

4.3. Excess Credit Exposure. If at any time a Borrowing Base Deficiency exists for a period of two Business Days, the Borrower shall immediately, without demand or notice, pay the amount of such Borrowing Base Deficiency to the Lender.

4.4. Voluntary Prepayments. The Borrower may from time to time prepay all or any portion of the Loans (in a minimum amount of fifty thousand dollars ($50,000) and an integral multiple of ten thousand dollars ($10,000), or such lesser amount as is then outstanding, without premium or penalty of any type. The Borrower shall give the Lender at least one Business Day's prior written notice of its intention to prepay, specifying the date of payment, the total amount and portion of the Loans to be paid on such date and the amount of interest to be paid with such prepayment.

4.5. Application of Payments, etc.

4.5.1. [Reserved.]

4.5.2. Order of Application. All payments to the Lender pursuant to this Agreement shall be applied, without duplication, in the following order:

(i) first, to the Lender for application to overdue interest on the Credit Obligations;

(ii) second, to the Lender for application to accrued and unpaid interest on the Credit Obligations;

(iii) third, to the Lender for application to outstanding principal of the Loans;

(iv) fourth, to the Lender for (x) any and all sums advanced by the Lender in order to preserve the Collateral or the Lender's security interest in the Collateral (if the Borrower shall not have taken such actions as the Lender shall have requested with respect to preserving the Collateral or the Lender's security interest in the Collateral within two Business Days after such request by the Lender), (y) all expenses of (A) taking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral or (B) any exercise by the Lender of its rights under any of the Program Documents, and (z) any attorney fees, other attorney charges and court costs; and

(v) fifth, to the Lender for application to any other Credit Obligations (it being agreed and understood that the Lender may hold payments pursuant to this Section 4.5.2 for application to future Credit Obligations).

4.5.3. Payment with Accrued Interest, etc. Upon all prepayments of the Loans, the Borrower shall pay to the Lender the principal amount to be prepaid, together with unpaid interest in respect thereof accrued to the date of prepayment. Notice of prepayment having been given in accordance with Section 4.4, the amount specified to be prepaid shall become due and payable on the date specified for prepayment.

4.6. Payments in United States Funds. All payments to the Lender (or to an account for the benefit of the Lender) under or in connection with this Agreement shall be made by wire transfer in immediately available United States Funds to an account designated from time to time by the Lender.

4.7. Reborrowing. Subject to Section 2.1.1 and subject to the other terms and conditions of this Agreement, the Borrower may borrow additional Loans after repaying outstanding Loans.

5. Conditions to Loans.

5.1. Conditions of Effective Date. The occurrence of the Effective Date and the Lender's willingness to make the initial Loan pursuant to Section 2 on the Effective Date shall be subject to the receipt by the Lender of the following, each in form and substance (including the date thereof) satisfactory to the Lender:

(a) Counterparts of this Agreement, signed by the Borrower; and counterparts of the SunTrust Master Agreement, signed by the Borrower and SunTrust.

(b) Copies, certified by the Secretary of the Borrower, of (i) resolutions of its board of directors, (ii) its certificate of incorporation, certified by the Secretary of State of Florida, and (iii) its by-laws.

(c) A certificate of the Secretary or Assistant Secretary (or other appropriate office) of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign the Program Documents to which it is a party. Until the Lender receives a subsequent incumbency certificate from the Borrower, in form and substance satisfactory to the Lender, the Lender shall be entitled to rely on the last such certificate delivered to it by the Borrower.

(d) Acknowledgment copies, or other evidence of filing acceptable to the Lender, of proper UCC financing statements, duly filed against the Borrower in Florida and any other jurisdictions that the Lender may deem necessary or desirable in order to perfect the interests of the Lender contemplated by this Agreement.

(e) Completed UCC search reports with respect to the Borrower and similar search reports in such jurisdictions as the Lender may request, in each case showing no liens on any of the Collateral.

(f) Favorable opinions of Greenberg Traurig, counsel for the Borrower.

(g) Evidence of payment by the Borrower of all accrued and unpaid fees, costs and expenses to the extent then due and payable, together with fees and other charges of Mayer, Brown & Platt, counsel to the Lender, arising prior to or on such date, plus such additional amounts of fees and charges of counsel to the Lender as shall constitute such counsel's estimate of fees and charges incurred or to be incurred through the closing proceedings (provided that such estimate shall not thereafter preclude final settling of accounts with respect thereto). The Lender shall have the right to "net" such fees, costs, expenses and amounts from the amount payable in respect of the first Loan under this Agreement.

(h) A good standing certificate issued by the Secretary of State of Florida with respect to the Borrower.

(i) Such other approvals, opinions, certificates, reports and documents as the Lender may request.

5.2. Conditions to Each Loan. It shall be a condition precedent to the making of each Loan (including without limitation the first Loan) by this Lender pursuant to this Agreement that all of the conditions set forth in this Section 5.2 shall have been satisfied on or before the Closing Date for such Loan:

5.2.1. General; Officer's Certificate.

(a) The Availability Termination Date shall not have occurred;

(b) the representations and warranties contained in Section 7 shall be true and correct on and as of such Closing Date (except as to any representation or warranty which refers only to a specific earlier date which representation and warranty shall be true and correct as of such earlier date);

(c) no Default shall exist on such Closing Date prior to or immediately after giving effect to the requested Loan;

(d) no Material Adverse Effect shall have occurred since the date of this Agreement;

(e) the funds received from such Loan shall be applied only for the purposes contemplated by Section 2.2;

(f) after giving effect to such Loan, no Borrowing Base Deficiency shall exist; and

(g) the Lender shall have received from the Borrower in connection with the requested Loan an Officer's Certificate to these effects (substantially in the form of Exhibit D hereto) and showing the amount of the Borrowing Base, signed by a Senior Officer.

5.2.2. Legality, Etc. The making of the requested Loan shall not (a) subject the Lender to any penalty or special tax or (b) be prohibited by any Legal Requirement.

5.2.3. Perfection of Security. The Borrower shall have duly authorized, executed, acknowledged, delivered, filed, registered and recorded such security agreements, notices, financing statements and other instruments as the Lender may have requested in order to perfect the Liens of the Lender in the Collateral. The Lender shall have received a copy of any search reports and legal opinions (in form and substance satisfactory to the Lender) with respect to security interests and other matters requested by the Lender.

5.2.4. Purchase and Sale Agreements. Other than as consented to by the Lender in writing:

(a) The Lender shall have received a copy of each applicable Purchase and Sale Agreement, duly executed by each of the parties thereto, pursuant to which the Borrower shall purchase Accounts with the proceeds of the requested Loan, certified as true, correct and complete by a Senior Officer. The provisions of each Purchase and Sale Agreement shall be in full force and effect and shall not have been amended, modified, waived or terminated.

(b) All of the representations and warranties of the Seller set forth in such Purchase and Sale Agreement shall be true, complete and correct in all material respects on

and as of such Closing Date with the same force and effect as though made on and as of such date.

(c) All of the conditions to the obligations of the Borrower and the Seller set forth in such Purchase and Sale Agreement shall have been satisfied.

(d) Such Purchase and Sale Agreement and the transactions contemplated thereby shall have been authorized by all necessary corporate, partnership or other proceedings by the parties thereto. Any consent, authorization, order or approval of any governmental or administrative agency or any other Person required in connection with the transactions contemplated by such Purchase and Sale Agreement shall have been obtained and shall be in full force and effect.

(e) All of the items required to be delivered under such Purchase and Sale Agreement shall have been so delivered, and the Lender shall have received copies thereof, certified as true, correct and complete by a Senior Officer.

(f) The Borrower shall have followed its usual and customary guidelines in evaluating the Seller and in determining whether to enter into a Purchase and Sale Agreement with such Seller.

5.2.5. Weekly Report. The Lender shall have received a copy of the most recent Weekly Report required to be delivered pursuant to Section 6.5(e).

5.2.6. Lockbox Agreements. The Lender shall have received a copy of the applicable Lockbox Agreements, duly executed by each of the parties thereto. The provisions of each Lockbox Agreement shall be in full force and effect and shall not have been amended, modified, waived or terminated without the prior written consent of the Lender.

5.2.7. Holding Account; Non-Government Obligor Reserve Account. The Lender shall have received evidence satisfactory to it with respect to the existence of the Holding Account and the Non-Government Obligor Reserve Account.

5.2.8. General. The Lender shall have received such information, approvals, opinions, resolutions, certificates, reports, and documents as reasonably requested by the Lender and the Borrower shall have satisfied such other conditions as the Lender may reasonably impose.

5.2.9. Effective Date. The Effective Date has occurred in accordance with the terms of this Agreement.

5.2.10. Cross Default, Etc.

(a) No Sun Capital Entity shall have failed to make any payment when due (after giving effect to any applicable grace periods) in respect of any Indebtedness having an aggregate amount of principal (whether or not due) and accrued interest, if applicable, exceeding one hundred thousand dollars ($100,000).

(b) No Sun Capital Entity shall have failed to perform or observe the terms of any agreement or instrument relating to any Indebtedness having an aggregate amount of principal (whether or not due) and accrued interest, if applicable, exceeding one hundred thousand dollars ($100,000).

(c) No Indebtedness of any Sun Capital Entity shall have been accelerated or shall have become due or payable prior to its stated maturity (except with respect to voluntary prepayments thereof) for any reason whatsoever.

(d) No Lien on any property of any Sun Capital Entity securing any Indebtedness shall have been enforced by foreclosure or similar action.

(e) No holder of any such Indebtedness shall have exercised any right of rescission with respect to the issuance thereof or any put or repurchase rights against any Sun Capital Entity with respect to such Indebtedness.

(f) No holder of any such Indebtedness shall have terminated any agreement or instrument in respect of such Indebtedness other than as a result of the occurrence of the scheduled termination date thereof.

5.2.11. Agreed Upon Procedures Report. Not later than December 31, 2000, the Lender and the accountants referred to in Section 6.33 shall have mutually agreed as to the "agreed-upon procedures" to be applied pursuant to Section 6.33.

6. General Covenants. The Borrower covenants that, until all of the Credit Obligations shall have been paid in full and until this Agreement and all other Program Documents shall have been irrevocably terminated, the Borrower shall comply with the following provisions:

6.1. Compliance with Laws, Etc. The Borrower shall: (i) duly satisfy all of its obligations in connection with the Accounts and the Related Property, (ii) maintain in effect all qualifications required under Requirements of Law in order to properly purchase and service the Accounts and other Related Property under the Purchase and Sale Agreements and (iii) comply with all Requirements of Law applicable to it in each case to the extent that failure to so maintain or comply, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

6.2. Preservation of Existence. The Borrower (i) shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and (ii) shall

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 could, if not remedied, reasonably be expected to have a Material Adverse Effect.

6.3. Audits. During normal business hours and with at least three Business Days' notice furnished by the Lender to the Borrower (provided that if a Default shall have occurred, only one Business Day's notice need be so furnished), the Borrower shall permit the Lender, or its agents or representatives, (i) to examine and make copies of and abstracts from all books, records and documents (including without limitation computer tapes and disks, provided that if copying of a software program used by the Borrower is prohibited by an enforceable agreement between the Borrower and the third party licensor of such software program (which licensor shall not be an Affiliate of the Borrower), then the Borrower shall print out all information contained in such software program instead of copying it)) in the possession or under the control of the Borrower relating to the Accounts and any other Property and (ii) to visit the offices and properties of the Borrower for the purpose of examining such materials and to discuss matters relating to the Accounts and any other Property or the Borrower's performance hereunder or under any other Program Document with any of the officers or employees of the Borrower having knowledge thereof. Any such examination, copying, printing or visit made pursuant to this Section 6.3 shall be at the cost and expense of the Borrower.

6.4. Continuous Perfection. The Borrower shall not change its name, identity or structure in any manner unless the Borrower shall have given the Lender at least ninety (90) days' prior written notice thereof and shall have taken all action sixty (60) days prior to making such change as is necessary or advisable in the judgment of the Lender to cause the security interest of the Lender in the Collateral to continue to be a first priority perfected security interest. The Borrower shall not change its principal place of business or its chief executive office or change the location of its principal records concerning the Collateral from the locations specified in Section 7.10 unless it has given the Lender at least sixty (60) days' prior written notice of its intention to do so and has taken such action as is necessary or advisable in the judgment of the Lender to cause the security interest of the Lender in the Collateral to continue to be a first priority perfected security interest. The Borrower shall at all times maintain its principal place of business and its chief executive office and any other office at which it maintains records relating to the Collateral within the United States of America.

6.5. Reporting Requirements of the Borrower. Unless the Lender consents in writing, the Borrower shall furnish to the Lender:

(a) Defaults. Except as otherwise provided herein, within two Business Days after any officer of the Borrower has knowledge of the occurrence of any Event of Default or other Default, a written statement describing the Event of Default or other Default and the action that the Borrower proposes to take with respect thereto, in each case in reasonable detail.

(b) Material Adverse Effect. Within two Business Days after any officer of the Borrower has knowledge thereof, written notice that describes in reasonable detail any Lien against any Collateral or any other event or occurrence that, individually or in the aggregate for all such Liens, events or occurrences, has had or could reasonably be expected to have a Material Adverse Effect. Without limiting the foregoing, the Borrower shall notify the Lender promptly of all disputes and claims in connection with any material portion of the Accounts.

(c) Proceedings. Within five Business Days after any officer of the Borrower has knowledge thereof, written notice of (i) any Proceeding of the type described in Section 7.7 not previously disclosed to the Lender and (ii) any adverse development that has occurred with respect to any such previously disclosed Proceeding.

(d) Financial Statements. The Borrower shall deliver to the Lender:

(i) As soon as available and in any event within ninety (90) days after the end of each fiscal year of the Borrower, audited statements of income, retained earnings and cash flow of the Borrower for such fiscal year and the related audited balance sheet as of the end of such fiscal year (collectively, the "Audited Financial Statements"), setting forth in comparative form the corresponding figures for the preceding fiscal year, and accompanied by (x) a report of the Borrower's independent certified public accountants (which shall be a "Big 5" firm and which may also render other services to the Borrower or any Affiliate thereof), which report shall state that such Audited Financial Statements fairly present the financial condition and results of operations of the Borrower in accordance with GAAP.

(ii) As soon as available and in any event within forty-five (45) days after the end of each quarterly fiscal period of each fiscal year of the Borrower, statements of income, retained earnings and cash flow of the Borrower for such period and for the period from the beginning of the current fiscal year to the end of such period, and the related balance sheet as of the end of such period, setting forth in each case in comparative form the corresponding figures for the corresponding period in the preceding fiscal year, and accompanied by a certificate of the chief financial officer of the Borrower, which certificate shall state that such financial statements fairly present the financial condition and results of operations of the Borrower in accordance with GAAP (subject to normal year-end adjustments and absence of footnote disclosures).

(iii) As soon as available and in any event within thirty (30) days after the end of each calendar month, statements of income, retained earnings and cash flow of the Borrower for such calendar month and the related balance sheet as of the end of such calendar month, setting forth in each case in comparative form the corresponding figures for the corresponding calendar month in the preceding fiscal year, and accompanied by a certificate of the chief financial officer of the Borrower,

which certificate shall state that such financial statements fairly present the financial condition and results of operations of the Borrower in accordance with GAAP (subject to normal year-end adjustments).

(iv) Promptly after the receipt thereof, copies of all "management letters" received by the Borrower from its independent accountants.

(e) Weekly Reports. On a weekly basis, not later than the third Business Day of each week, a Weekly Report with respect to the immediately preceding week.

(f) Cross-Defaults, Etc. Promptly after any failure or occurrence of the type contemplated by Section 5.2.10, notice as to such failure or occurrence.

(g) Other. Promptly, from time to time, any other information, notices or documents with respect to the Receivables, the Related Property, any other Collateral or any other Property or any Program Document, or any other information to which the Borrower reasonably has access with respect to the condition or operations, financial or otherwise, of the Borrower or any Seller, in each case as the Lender may from time to time request.

6.6. Assessments. The Borrower shall promptly pay and discharge all taxes, assessments, levies and other governmental charges imposed on it and with respect to its Properties.

6.7. Further Action; Non-Interference. The Borrower shall, from time to time, execute and deliver to the Lender any instruments, financing or continuation statements or other writings necessary or desirable in the judgment of the Lender (i) to maintain the perfection and priority of the Lender's interest in the Collateral under the UCC or other applicable Requirements of Law or (ii) to further the purposes or provisions of this Agreement. Without limiting the foregoing, the Borrower shall execute and deliver to the Lender any and all forms (including without limitation, Forms 8821 or 2848) that the Lender may request from time to time in order to enable the Lender to obtain and receive tax information with respect to the Borrower from the U.S. Department of the Treasury, U.S. Internal Revenue Service or any other federal, state or local taxing authority, or in order to obtain and receive tax refund checks or other payments. The Borrower shall not interfere with the Lender's exercise of its rights or remedies under the Lockbox Agreements, under any other Program Document, or under applicable law.

6.8. Additional Indebtedness. The Borrower shall not create, incur, assume or suffer to exist any Indebtedness (including any Guarantee) or expenses (whether or not accounted for as a liability) or cause to be issued for its account any letters of credit or bankers' acceptances, except (i) indebtedness contemplated by this Agreement; (ii) indebtedness or other expenses to its professional advisers and its counsel; and (iii) accounts payable in the ordinary course of business.

6.9. No Transfer. The Borrower agrees that, except as contemplated by this Agreement and any Purchase and Sale Agreement, it (i) shall not sell, assign, pledge, convey or otherwise transfer any of its Property or interest therein, (ii) shall not grant, create, incur, or suffer to exist any

Lien on any of its Property or any interest therein, (iii) shall notify the Lender upon becoming aware of any such Lien, and (iv) shall defend the interest of the Lender in the Collateral against all claims of other Persons claiming through the Borrower.

6.10. No Other Activities. The Borrower shall not engage in any activity other than those contemplated by this Agreement. The Borrower shall not make any Capital Expenditures, except for expenditures on office equipment and office supplies in the ordinary course of business. The Borrower shall not make any Investments other than (x) the purchase of Accounts pursuant to Purchase and Sale Agreements, and (y) Eligible Investments. Neither the Borrower nor any Person on behalf of the Borrower shall maintain any lockboxes, deposit accounts or other similar accounts, except the Lockboxes, the Lockbox Accounts, the Collection Account, the Holding Account, the Non-Government Obligor Reserve Account and bank accounts maintained for the payment of reasonable expenses incurred in the ordinary course of business and the deposit of amounts which are not otherwise required to be paid to the Lender in accordance with this Agreement.

6.11. Enforcement. The Borrower shall take all action necessary and appropriate to enforce its rights and claims under each Purchase and Sale Agreement and each Lockbox Agreement. If, upon notice from the Lender, the Borrower does not take such necessary and appropriate action, then, the Lender may, but shall not be obligated to, take such action, provided that the Lender's taking or refraining from taking such action shall not constitute a waiver of the Borrower's failure to take such action.

6.12. Separateness. The Borrower shall not permit its assets to be commingled with those of any other Sun Capital Entity, the Borrower shall maintain separate corporate records and books of account from those of each other Sun Capital Entity, and the Borrower shall conduct its business from an office separate from that of each other Sun Capital Entity with a telephone number and stationery which are separate from the telephone number and stationery of each other Sun Capital Entity (it being understood that, subject to the foregoing, the office of the Borrower may be at the same location as the office of any other Sun Capital Entity). The Borrower shall conduct its business solely in its own name and shall cause each other Sun Capital Entity to conduct its respective business solely in that respective Sun Capital Entity's own name so as not to mislead others as to the identity of the entity with which those others are concerned. The Borrower shall not incur any direct, indirect or overhead expenses that are material for any items shared between the Borrower and any other Sun Capital Entity, other than shared expenses that shall be allocated on a basis reasonably related to the value of services rendered or property used. The Borrower shall not hold itself out, or permit itself to be held out, as having agreed to pay, or as being liable for, the debts of any other Sun Capital Entity, and the Borrower shall cause each other Sun Capital Entity not to hold itself out, or permit itself to be held out, as having agreed to pay, or as being liable for, the debts of the Borrower. The financial statements of the Borrower shall reflect that it is a corporation which is separate from each other Sun Capital Entity. The Borrower shall observe all formalities of an independent corporation.

6.13. Amendment to Documents; Assignments and Delegations. The Borrower shall not amend, grant any consent under, waive, terminate or otherwise modify any or all provisions of its

Constituent Documents, any Purchase and Sale Agreement, any Lockbox Agreement or any other Program Document without the prior written consent of the Lender. Without limiting the foregoing, the Borrower shall not assign any of its rights or delegate any of its obligations under or in connection with any Program Document without the prior written consent of the Lender.

6.14. ERISA. The Borrower shall promptly give the Lender notice of the following events, as soon as possible and in any event within ten (10) days after the Borrower or any of its ERISA Affiliates knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Plan to which the Borrower or any of its ERISA Affiliates contributed, or any withdrawal from, or the termination, reorganization or Insolvency of, any Multiemployer Plan to which the Borrower or any of its ERISA Affiliates contributes or to which contributions have been required to be made by the Borrower or such ERISA Affiliate during the preceding five years or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any of its ERISA Affiliates or any such Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any such Plan or Multiemployer Plan.

6.15. Copies of Notices, Waivers, Etc. Upon the Lender's request, the Borrower shall promptly give the Lender copies of any notices, reports or certificates given or delivered to the Borrower under any Purchase and Sale Agreement or any other Program Document to which the Borrower is a party.

6.16. Subsidiaries, Distributions. The Borrower shall not create any Subsidiary. The Borrower shall not make any Distributions (i) more frequently than once each calendar quarter, (ii) if such payment would be prohibited under applicable law, and (iii) after the occurrence of a Default, without the prior written consent of the Lender.

6.17. Maximum Amount of Purchased Accounts. Except to the extent specifically approved in writing by the Lender, the Borrower shall not purchase under any Purchase and Sale Agreement any single Account having a Net Collectible Amount, or Related Accounts having an aggregate Net Collectible Amount, in excess of one million dollars ($1,000,000). For purposes of the immediately preceding sentence, "Related Accounts" means two or more Accounts relating to the same patient and payable by the same Third Party Obligor.

6.18. Maximum Amount of Accounts per Seller. Except to the extent specifically approved in writing by the Lender, the Borrower shall not purchase any Accounts from any single Seller to the extent that the portion of the outstanding Loans utilized to fund the purchase of Accounts from such Seller would exceed an amount equal to twenty-five percent (25%) of the Maximum Amount of Credit. This Section 6.18 shall apply commencing one year after the date of this Agreement.

6.19. Limitation on Amount Advanced. (a) The Borrower shall not purchase any Account unless the Amount Paid to Seller for such Account is less than or equal to ninety-four percent (94%) of the Net Collectible Amount of such Account.

(b) The Borrower agrees that (i) the amount payable to any broker with respect to any Accounts purchased pursuant to the applicable Purchase and Sale Agreement shall not exceed eight percent (8%) of the Discount Fees collected by the Borrower pursuant to such Purchase and Sale Agreement, and (ii) such brokerage fees shall be payable and paid only out of such Discount Fees.

6.20. Purchase and Sale Agreements; True Sale. The Borrower shall acquire Accounts solely pursuant to Purchase and Sale Agreements. The Borrower shall not sign a Purchase and Sale Agreement, and shall not cause a Purchase and Sale Agreement to be signed, unless such Purchase and Sale Agreement conforms in all material respects to the Form Purchase and Sale Agreement. The Borrower shall comply with the assumptions and factual descriptions set forth in the "true sale" opinion of Greenberg Traurig delivered pursuant to Section 5.1.

6.21. Lockbox Agreements. The Borrower shall not sign a Lockbox Agreement, and shall not cause a Lockbox Agreement to be signed, unless such Lockbox Agreement conforms in all material respects to the Form Lockbox Agreement.

6.22. Taxes. The Borrower shall file or cause to be filed all Federal, state, and local tax returns that it is required to file under applicable law, and pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments it receives, except any taxes or assessments the validity of which is being contested in good faith by appropriate proceedings and with respect to which the Borrower has set aside adequate reserves on its books in accordance with GAAP and which proceedings could not reasonably be expected to have a Material Adverse Effect (which reserves and unpaid taxes shall not, on an aggregate basis, exceed five percent (5%) of the Outstanding Amounts Paid to Sellers as of the time any such reserves are set aside).

6.23. Merger or Consolidation, Sales of Assets, Etc. The Borrower shall not consolidate with or merge into any other Person. The Borrower shall not convey or transfer any of its Properties to any Person except for (a) payments made pursuant to this Agreement, the Lockbox Agreements and the Purchase and Sale Agreements and (b) payments made by the Borrower in the ordinary course of its business which do not conflict with the terms of this Agreement.

6.24. Solvency. The Borrower shall continue to be Solvent.

6.25. Derivative Contracts. The Borrower shall not enter into any Interest Rate Protection Agreement, foreign currency exchange contract or other financial or commodity derivative contracts.

6.26. Negative Pledge Clauses; Subordination. The Borrower shall not enter into any agreement (other than this Agreement), instrument, deed or lease which prohibits or limits the ability of the Borrower to create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, or which requires the grant of any collateral for any obligation if collateral is granted for another obligation. The Borrower shall not (i) enter into any agreement to

subordinate its rights with respect to any Accounts or other Property without the prior written consent of the Lender, or (ii) amend any such agreement without the prior written consent of the Lender.

6.27. Transactions with Affiliates. The Borrower shall not effect any transaction with any Sun Capital Entity or any of the Borrower's or any Sun Capital Entity's Affiliates on a basis less favorable to the Borrower than would be the case if such transaction had been effected with a non-Affiliate.

6.28. Sellers Subject to Debtor Relief Laws. The Borrower shall not purchase any Accounts from a Seller that is a party to a proceeding under any Debtor Relief Law (other than solely as a creditor) without the prior written consent of the Lender.

6.29. Servicing of Accounts. If and to the extent that the Borrower services Accounts, the Borrower shall service and administer the Accounts and shall collect payments due under the Accounts in a prudent and lawful manner and with a standard of care that is not less than the standard of care that is customary in the industry.

6.30. Insurance Policies. The Borrower shall maintain, at its own expense, one or more fidelity bonds and errors and omissions insurance policies, with broad coverage with responsible companies, with respect to officers and employees (in the case of a fidelity bond) and all officers, directors and employees (in the case of an errors and omissions insurance policy) acting on behalf of the Borrower with regard to its responsibilities as Borrower, which bonds and policies shall name the Lender as the loss payee and as an additional insured. Such bonds and policies shall protect and insure the Borrower (and the Lender) against losses, including forgery, larceny, dishonest or fraudulent acts (in the case of a fidelity bond) and errors and omissions (in the case of an errors and omissions insurance policy) of such persons and shall be maintained in a form and amount approved by the Lender. No provision of this Section 6.30 requiring such bonds and policies shall diminish or relieve the Borrower from its duties and obligations as set forth in this Agreement. The proceeds from any such bond or policy shall be delivered to the Lender and deemed to be Collateral. Any such bond and policy shall not be canceled or modified without ten (10) days' prior written notice to the Lender.

6.31. Modification of Terms. The Borrower shall not permit any rescission or cancellation of a Purchased Account except as ordered by a court of competent jurisdiction or other Governmental Authority or as otherwise consented to by the Lender in writing. The Borrower shall not, except with the prior written consent of the Lender, extend, amend or otherwise modify the terms of any Purchased Account.

6.32. Methods of Collection; Obligor Notices; Collection Account. (a) In connection with each Lockbox Agreement, the Borrower shall cause the related Lockbox Bank to establish a Purchaser Lockbox, Purchaser Lockbox Account, Provider Lockbox and Provider Lockbox Account.

(b) The Borrower shall cause Obligor Notices to be mailed to the Third Party Obligor of each Account, by certified mail, return receipt requested, prior to the time that the Borrower purchases such Account. If a Seller or the Borrower shall neglect or refuse to send an Obligor Notice to a Third Party Obligor, then the Lender shall be entitled to send an Obligor Notice to such Third Party Obligor. All Collections on Accounts transmitted by Third Party Obligors to the Borrower (or by a Seller or other Person to the Borrower) rather than directly to a Lockbox or a Lockbox Account shall be held by the Borrower in trust for the benefit of the Lender and shall be delivered by the Borrower to a Lockbox or a Lockbox Account no later than the Business Day following receipt thereof by the Borrower. The Borrower agrees that it shall not commingle any Collections with any of the Borrower's other funds or property, but shall hold them separate and apart therefrom in trust for the Lender until such Collections are deposited into the relevant Lockbox or Lockbox Account.

(c) The Borrower shall not change the foregoing method of collection or the related instructions to Third Party Obligors except with the prior written consent of the Lender.

(d) The Borrower hereby authorizes the Lender, and grants to the Lender an irrevocable power of attorney, with full power of substitution and coupled with an interest, to take in the Borrower's name any and all steps as are necessary or advisable, in the determination of the Lender, in order to change, modify or rescind the direction set forth in any Obligor Notice sent pursuant to a Purchase and Sale Agreement.

(e) The Borrower shall instruct the Lockbox Bank to transfer items on deposit in the Lockboxes only to the Lockbox Accounts. The Borrower shall instruct the Lockbox Bank to transfer amounts on deposit in the Lockbox Accounts only (i) to the Collection Account or (ii) to or at the direction of the Lender. Notwithstanding the foregoing, if one or more Events of Default shall occur and be continuing, (i) the Borrower shall not give any instructions to any Lockbox Bank without the prior written consent of the Lender and (ii) the Borrower shall give instructions to each Lockbox Bank in accordance with the instructions of the Lender.

6.33. Independent Public Accountants' Borrower Report. The Borrower, at the expense of the Borrower, shall cause a firm of nationally recognized independent public accountants (which shall be a "Big 5" firm (or other firm satisfactory to the Lender) and which may also render other services to the Borrower or any Affiliate thereof) to furnish a report to the Lender on or before the 45th day following June 30 and December 31 of each year (each such report shall cover the six month period ending on such June 30 or December 31 (or, in the case of the first such report, the period since the date of the first Loan under this Agreement)), in each case to the effect that such accountants have applied certain agreed-upon procedures that the Lender and such accountants shall have agreed upon prior to December 31, 2000, which procedures may be modified from time to time by such accountants with the prior written consent of the Lender.

6.34. Covenant to Maintain Privileges. The Borrower shall maintain all of its rights, powers and privileges relevant to the collectibility of the Purchased Accounts.

6.35. Protection of the Lender's Rights. The Borrower shall take no action which, nor omit to take any action the omission of which, could impair the rights of the Lender in any Purchased Account, the Related Property or any other Collateral.

6.36. Modification of Systems. The Borrower agrees, promptly after the replacement or any material modification of any computer, automation or other operating systems (in respect of hardware or software) used in the conduct of the Borrower's business, including in connection with making any calculations or reports hereunder, to give notice of any such replacement or modification to the Lender.

6.37. Keeping of Records and Books of Account. The Borrower shall maintain and implement administrative and operating procedures (including the ability to recreate records evidencing the Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, computer records and other information, reasonably necessary or advisable for the collection of all the Purchased Accounts and the Related Property. Such documents, books and computer records shall reflect all facts giving rise to the Purchased Accounts and the Related Property, all payments and credits with respect thereto, and shall indicate the interests of the Lender in the Purchased Accounts, the Related Property and all other Collateral.

6.38. Non-Government Obligor Reserve Account; Holding Account.

(a) The Borrower shall cause the balance of the Non-Government Obligor Reserve Account to equal (a) at all times prior to July 31, 2000, at least ten thousand dollars ($10,000), (b) at all times during August 2000, at least twenty thousand dollars ($20,000), (c) at all times during September 2000, at least forty thousand dollars ($40,000), and (e) at all times after September 30, 2000, at least fifty thousand dollars ($50,000).

(b) After the end of each calendar quarter, but not later than the tenth (10th) day after the end of each calendar quarter, the Borrower shall deposit in the Non-Government Obligor Reserve Account an amount in dollars equal to the result of (i) seven-tenths of one percent (0.7%), multiplied by (ii) a fraction, the numerator of which is the sum, for each day of such calendar quarter, of the outstanding aggregate Net Collectible Amount of all Accounts on each such day, and the denominator of which equals the number of days in such calendar quarter.

(c) If an order of the type contemplated by Section 8.1.11(d) shall be entered against a Non-Government Obligor of a Purchased Account, or if any other event of the type contemplated by any other clause of Section 8.1.11 shall occur with respect to a Non-Government Obligor of a Purchased Account, the Borrower shall cause to be transferred from the Non-Government Obligor Reserve Account to the Lender, for application in accordance with Section 4.5.2, an amount equal to the aggregate Net Collectible Amount of all Purchased Accounts owed by such Non-Government Obligor.

(d) Upon the occurrence of an Event of Default, the Borrower shall cause all amounts on deposit in the Non-Government Obligor Reserve Account to be transferred to the Lender for application in accordance with Section 4.5.2.

(e) The Borrower shall not terminate the Holding Account or the Non-Government Obligor Reserve Account without the prior written consent of the Lender.

(f) Funds shall be deposited in and withdrawn from the Holding Account in accordance with Section 2.1.3.

(g) Until released from the Holding Account or the Non-Government Obligor Reserve Account, funds on deposit in the Holding Account or the Non-Government Obligor Reserve Account, as applicable, shall be invested only in Eligible Investments. Upon the request of the Lender from time to time, (x) the Borrower shall cease causing such funds to be invested, and (y) the Borrower shall cause all investments of such funds to be sold or otherwise liquidated, in each case in accordance with the instructions of the Lender.

(h) Interest and other investment earnings on amounts in the Non-Government Obligor Reserve Account and the Holding Account shall be retained in the Non-Government Obligor Reserve Account and the Holding Account, as the case may be, and shall be considered to be amounts on deposit therein until withdrawn therefrom in accordance with this Agreement. However, if on the fifteenth day of the first month following any calendar quarter, the balance of the Non-Government Obligor Reserve Account exceeds the amount required to be on deposit therein under clauses (a) and (b) of this Section 6.38, then the lesser of (i) such excess and (ii) such interest and other investment earnings may be withdrawn by the Borrower from the Non-Government Obligor Reserve Account.

7. Representations and Warranties. In order to induce the Lender to extend credit to the Borrower hereunder, the Borrower represents and warrants as follows on the date of this Agreement and on the Closing Date for each Loan:

7.1. Organization and Good Standing. The Borrower is a corporation duly organized and validly existing in good standing under the laws of the State of Florida, and has full corporate power, authority and legal right to execute, deliver and perform its obligations under each Program Document to which it is a party, and to own its properties and conduct its business as such properties are presently owned and as such business is presently conducted.

7.2. Due Qualification. The Borrower is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements), and has obtained all necessary licenses and approvals with respect to the Borrower, in each jurisdiction in which the failure to be in good standing, to be so qualified or to obtain such licenses and approvals would reasonably be expected to have a Material Adverse Effect.

7.3. Due Authorization. The execution, delivery and performance of each Program Document to which the Borrower is a party have been duly authorized by the Borrower by all necessary corporate action on the part of the Borrower and each Program Document to which it is a party has been duly executed and delivered by the Borrower.

7.4. Binding Obligation. Each Program Document to which the Borrower is a party constitutes the legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms; provided that (x) the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect relating to creditors' rights, and (y) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

7.5. No Conflicts. The execution, delivery and performance by the Borrower of each Program Document to which it is a party, including the performance by the Borrower of the transactions contemplated by each Program Document to which it is a party, and the fulfillment of the terms hereof and thereof by the Borrower, do not and shall not (i) contravene its Constituent Documents, (ii) conflict with or violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award having applicability to the Borrower, (iii) result in a breach of or constitute a default or require any consent under any agreement, lease or instrument to which the Borrower is a party or by which it or any of its properties may be bound or affected, or (iv) result in, or require, the creation or imposition of any Lien upon or with respect to any of the Properties owned by the Borrower other than in favor of the Lender pursuant to this Agreement.

7.6. Taxes. The Borrower has filed all tax returns (federal, state and local) required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from the Borrower or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings and has set aside on its books adequate reserves in accordance with GAAP with respect thereto.

7.7. No Proceedings. There are no Proceedings pending or, to the best knowledge of the Borrower, threatened against the Borrower before any Governmental Authority or arbitrator, and no injunction, writ, restraining order or other order of any nature of any Governmental Authority is in effect with respect to the Borrower, (i) asserting the invalidity of any Program Document to which it is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by any Program Document to which it is a party, (iii) seeking any determination or ruling that could adversely affect the performance by the Borrower of its obligations under any Program Document to which it is a party, (iv) seeking any determination or ruling that could adversely affect the validity or enforceability of any Program Document to which it is a party, (v) seeking to assert any tax liability against the Borrower or with respect to any Collateral under the United States Federal or any state income tax systems, (vi) asserting that the Borrower (or any officer or director of the Borrower) has engaged or is engaging in any fraudulent or illegal actions or activities, or (vii) which,

individually or in the aggregate for all such Proceedings, could reasonably be expected to have a Material Adverse Effect.

7.8. All Filings and Consents Required. All notices to, filings with and approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority required to be obtained by the Borrower in connection with the execution, delivery and performance by the Borrower of each Program Document to which it is a party have been obtained or have been completed and are in full force and effect, and the Borrower is in compliance with all applicable laws, rules, regulations and orders with respect to itself, its business, properties and assets and the Borrower maintains all necessary licenses and permits to conduct its business (except where the failure to so comply, or to so maintain licenses and permits, could not reasonably be expected to have a Material Adverse Effect).

7.9. Eligible Accounts. Each Account classified as part of the Borrowing Base (or otherwise classified an "Eligible Account") by the Borrower in any document or report delivered hereunder shall satisfy the requirements of eligibility contained in the definition of Eligible Account, except as otherwise consented to in writing by the Lender.

7.10. Place of Business. The principal place of business of the Borrower and its chief executive office (as that term is used in the UCC) is at 929 Clint Moore Road, Boca Raton, Florida 33487 and the offices where the Borrower keeps its records concerning the Accounts and all of its other Property (and has kept such records during the preceding four months) are at such location. Since the date of its incorporation, there is no other such location at which the Borrower has had such an office.

7.11. Use of Proceeds. All proceeds of the Loan have been used in accordance with Section 2.2.

7.12. Lockboxes; Lockbox Banks. Prior to the purchase of Accounts under the related Purchase and Sale Agreement, Obligor Notices have been mailed to all Third Party Obligors relating to such Accounts by certified mail, return receipt requested, except to the extent otherwise consented to in writing by the Lender. The Lockbox Agreements constitute the legal, valid and binding obligations of the parties thereto, enforceable against such parties in accordance with its terms, except the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect relating to creditors' rights. Neither the Borrower nor any other Person on behalf of the Borrower maintains or has maintained any lockbox, deposit account or similar account other than the Lockboxes, the Lockbox Accounts, the Holding Account, the Collection Account, the Non-Government Obligor Reserve Account and bank accounts maintained for the payment of reasonable expenses incurred in the ordinary course of business and the deposit of amounts which are not otherwise required to be paid to the Lender in accordance with this Agreement.

7.13. Default. No Default or Event or Default has occurred or is continuing.

7.14. ERISA. No Plan maintained by the Borrower or any of its ERISA Affiliates has any "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived. Each of the Borrower and each ERISA Affiliate of the Borrower has timely made all contributions required to be made by it to any Plan and Multiemployer Plan to which contributions are or have been required to be made during the preceding five years by the Borrower or such ERISA Affiliate, and no event requiring notice to the PBGC under Section 302(f) of ERISA has occurred and is continuing or could reasonably be expected to occur with respect to any such Plan, in any case, that could reasonably be expected to result, directly or indirectly, in any Lien being imposed on the property of the Borrower or the payment of any amount to avoid such Lien. No Plan Event with respect to the Borrower or any of its ERISA Affiliates has occurred or could reasonably be expected to occur that could reasonably be expected to result, directly or indirectly, in any Lien being imposed on the property of the Borrower or the payment of any amount to avoid such Lien.

7.15. Legal Name. The legal name of the Borrower is set forth in the preamble to this Agreement, and the Borrower has never used and does not now use any "doing business" names, trade names or other fictitious names.

7.16. Subsidiaries. The Borrower has no Subsidiaries.

7.17. Activities. The Borrower engages in no activities other than those contemplated by this Agreement.

7.18. Sellers. None of the Sellers is (a) an Affiliate of the Borrower, (b) an Affiliate of any of the Borrower's Affiliates, or (c) subject to any proceeding (other than solely as a creditor) under any Debtor Relief Law.

7.19. Solvency. The Borrower is Solvent and shall not become insolvent after giving effect to any incurrence of Loans hereunder and the consummation of the other transactions contemplated herein; the Borrower is paying its debts as they come due; and the Borrower, after giving effect to such transactions, shall not have unreasonably small capital with which to conduct its business.

7.20. Title to Properties, Etc.

(a) The Borrower has good title to and is the legal and beneficial owner of all right, title and interest in and to all of the Purchased Accounts and all other Collateral, in each case at all times, free and clear of any Lien (other than in favor of the Lender). No Third Party Obligor of a Purchased Account has received any notice of any adverse claim against, interest in or lien on all or any part of such Purchased Account and any Related Property (other than (i) interests being acquired by the Borrower, (ii) any such claim, interest or lien that shall no longer exist after such acquisition by the Borrower and (iii) the Lien of the Lender). At the time the Borrower acquires its interest in any Account or Related Property, the Borrower, having reviewed a UCC search report against the applicable Seller in the state where such Seller is located for UCC purposes and in any other applicable

jurisdiction, is acquiring its interest in good faith and without knowledge of any adverse claim against, interest in, lien on, or defense to payment of, such Account or Related Property. The Liens granted to the Lender under Section 10 of this Agreement are first priority perfected Liens in all of the Purchased Accounts and in all of the other Collateral.

(b) The Borrower has indicated on its books and records (including any computer files) that the Lender has, and shall maintain such records in a manner such that the Lender shall continue to have, a first priority perfected security interest in all Purchased Accounts and all of the Borrower's other Property. Each Purchase and Sale Agreement constitutes a valid sale to the Borrower of all of the right, title and interest of the related Seller in and to the Accounts purported to be transferred thereunder now existing or hereafter created and all monies due or to become due with respect thereto and all other proceeds of such Accounts.

(c) No acquisition of any Account or Related Property by the Borrower constitutes a fraudulent transfer or fraudulent conveyance under any Debtor Relief Laws or is otherwise void or voidable or subject to subordination in favor of third party creditors under similar laws or principles or for any other reason.

(d) No effective UCC financing statement or other instrument similar in effect that covers all or part of any Property of the Borrower or any Seller, or any interest in any proceeds thereof, is on file in any recording office except financing statements as to which termination statements or releases are filed on or before the date of the initial purchase of Accounts under the related Purchase and Sale Agreement and except financing statements naming the Borrower or the Lender as secured party.

(e) The Non-Government Obligor Reserve Account is and shall be maintained in the name of the Borrower and the Lender.

7.21. No Brokerage Fee. No brokerage, finder's or similar fee or commission is due to any party by reason of the Borrower entering into this Agreement or any other Program Document or by reason of any of the transactions contemplated hereby or thereby, except for the brokerage fees contemplated by Section 6.19.

7.22. Representations and Warranties in Program Documents. All representations and warranties set forth in the Program Documents were true and correct in all material respects at the time as of which such representations and warranties were made or deemed made.

7.23. Seller Representations and Warranty. To the best of the Borrower's knowledge, (i) each of the representations and warranties relating to Accounts set forth in the Purchase and Sale Agreements are true and correct, and (ii) each of the other representations and warranties set forth in the Purchase and Sale Agreements are true and correct in all material respects.

7.24. Government Regulation. Neither the Borrower nor any Person controlling the Borrower or under common control with the Borrower is subject to regulation under the Public Utility Holding Company Act of 1935, as amended, the Federal Power Act, as amended, the Investment Company Act of 1940, as amended, the Interstate Commerce Act, as amended, or any similar statute or regulation which regulates the incurring by the Borrower of Indebtedness as contemplated by this Agreement.

7.25. Disclosure. Neither this Agreement nor any other document furnished or to be furnished from time to time to the Lender or any insurance company by or on behalf of the Borrower in connection with the transactions contemplated hereby or the other Program Documents contains or shall contain at the time such document is furnished any untrue statement of material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. No fact is known to the Borrower which has resulted, or in the future (so far as the Borrower can reasonably foresee) shall result, or creates a material risk of resulting, in any Material Adverse Effect.

7.26. Issuance of Stock. The Borrower has not issued any shares of stock, whether voting or non-voting, to any Person other than Peter Baronoff, Malinda Baronoff, Howard Koslow, Jane Koslow, Larry Leder or Carole Leder. All of such shares of stock have been duly and validly issued and have been paid for in full.

7.27. Conditions Precedent. On the Closing Date for each Loan, all of the conditions precedent in Section 5.2 have been satisfied with respect thereto.

7.28. Fiscal Year. The Borrower's fiscal year is the calendar year.

7.29. Purchase and Sale Agreements; Lockbox Agreements. Each Purchase and Sale Agreement conforms in all material respects to the Form Purchase and Sale Agreement. The Borrower has entered into a Lockbox Agreement with each Seller, and each Lockbox Agreement conforms in all material respects to the Form Lockbox Agreement. Unless the Lender has consented otherwise in writing, SunTrust Bank is the only Lockbox Bank party to any Lockbox Agreement.

7.30.. Tax Identification Number. The federal tax identification number of the Borrower is 65-0941604.

7.31. Insurance Policies. The Borrower has paid all premiums payable under each insurance policy contemplated by Section 6.30, has complied with all of its covenants under each such insurance policy, and has satisfied all conditions required to be satisfied under each such insurance policy. All of the representations of the Borrower in each such insurance policy (and in any application relating thereto) are true and correct.

Upon discovery by the Borrower of a breach of any of the foregoing representations and warranties, the Borrower shall give written notice thereof to the Lender within one Business Day of

such discovery, provided that failure to provide such notice within one Business Day shall neither toll any applicable cure period nor prevent a Default from occurring.

8. Defaults.

8.1. Events of Default. Each of the following shall constitute an "Event of Default":

8.1.1. Payment. (a) The Borrower shall fail to make any payment in respect of: (i) interest or any fee on or in respect of any of the Credit Obligations owed by it as the same shall become due and payable, or (ii) principal of any of the Credit Obligations owed by it as the same shall become due, whether at maturity or by acceleration or otherwise (including without limitation pursuant to Section 4.1 or Section 4.2).

(b) Without limiting the foregoing, the Lender shall fail to receive payment in full of all accrued and unpaid interest on the Loans by the second Business Day of each calendar month (provided that this sentence shall apply from and after the one hundred twentieth (120th) day following the date of this Agreement).

8.1.2. Specified Covenants. The Borrower shall fail to perform or observe any of the provisions of Section 4.3 or Sections 6.1 through 6.38.

8.1.3. Other Covenants. The Borrower or any other Borrower shall fail to perform or observe any other covenant, agreement or provision to be performed or observed by it under this Agreement or any other Program Document, and such failure shall not be rectified or cured to the written satisfaction of the Lender within ten (10) days after the earlier of (a) notice thereof by the Lender to the Borrower or (b) any officer of the Borrower having knowledge thereof.

8.1.4. Representations and Warranties. Any representation or warranty of or with respect to the Borrower made to the Lender in, pursuant to or in connection with this Agreement or any other Program Document shall be materially false on the date as of which it was made.

8.1.5. [Reserved].

8.1.6. Ownership. A Change of Ownership Event shall have occurred.

8.1.7. Enforceability, Etc. Any Program Document shall cease for any reason (other than the termination thereof in accordance with its terms) to be enforceable in accordance with its terms or in full force and effect; or any party to any Program Document shall so assert in a judicial or similar proceeding; or the security interests created by this Agreement or any other Program Document shall cease to be enforceable and of the same effect and priority purported to be created hereby or thereby.

8.1.8. Judgments. A judgment (a) which, with other outstanding judgments against the Borrower, exceeds the Judgment Measurement Amount shall be rendered against the Borrower or SCI, or (b) which grants injunctive relief that results, or creates a material risk of resulting, in a Material Adverse Effect and in either case if, (i) within thirty (30) days after entry thereof, such judgment shall not have been discharged or execution thereof stayed pending appeal or (ii) within thirty (30) days after the expiration of any such stay, such judgment shall not have been discharged.

8.1.9. ERISA. Any Plan Event shall occur.

8.1.10. Material Adverse Effect. Any event or circumstance since the Initial Lending Date shall occur or fail to occur which has had or could reasonably be expected to have a Material Adverse Effect.

8.1.11. Bankruptcy, Etc. The Borrower or any Sun Capital Entity shall:

(a) commence a voluntary case under the Bankruptcy Code or authorize, by proceedings of its board of directors or other governing body, the commencement of such a voluntary case;

(b) (i) have filed against it a petition commencing an involuntary case under the Bankruptcy Code that shall not have been dismissed within thirty (30) days after the date on which such petition is filed, or (ii) file an answer or other pleading within such thirty (30) day period admitting or failing to deny the material allegations of such a petition or seeking, consenting to or acquiescing in the relief therein provided, or (iii) have entered against it an order for relief in any involuntary case commenced under the Bankruptcy Code;

(c) seek relief as a debtor under any Debtor Relief Law, other than the Bankruptcy Code, or consent to or acquiesce in such relief;

(d) have entered against it an order by a court of competent jurisdiction (i) finding it to be bankrupt or insolvent, (ii) ordering or approving its liquidation or reorganization as a debtor or any modification or alteration of the rights of its creditors or (iii) assuming custody of, or appointing a receiver or other custodian for, all or a substantial portion of its property; or

(e) make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint, or consent to the appointment of, or suffer to exist a receiver or other custodian for, all or a substantial portion of its property.

8.1.12. Seller Default. The occurrence of a default or event of default (regardless of how such default is described) under a Purchase and Sale Agreement, if (a) the Borrower is aware of such default or event of default and (b) such default or event of default has not been

cured or waived to the written satisfaction of the Lender within five Business Days after the occurrence thereof.

8.1.13. Lockbox Arrangements. (i) Any Lockbox Bank or any other Person shall fail to transfer any Collections in respect of Accounts in the manner contemplated by the related Lockbox Agreement or in a manner otherwise approved in writing by the Lender, (ii) the applicable Seller delivers a Revocation Order to a Lockbox Bank, (iii) the applicable Seller or the Borrower or any Person acting on behalf of any thereof instructs any Third Party Obligor to make payments other than to the applicable Lockbox or Lockbox Account, or (iv) without limiting the foregoing, SunTrust fails to comply with the SunTrust Master Agreement.

8.2. Certain Actions Following an Event of Default. If any one or more Events of Default shall occur and be continuing, then in each and every such case:

8.2.1. Terminate Agreement. The Lender may terminate this Agreement by furnishing notice of such termination to the Borrower.

8.2.2. Specific Performance; Exercise of Rights. The Lender may proceed to protect and enforce the Lender's rights by suit in equity, action at law or other appropriate Proceedings, either for specific performance of any covenant or condition contained in this Agreement or any other Program Document or in any instrument or assignment delivered to the Lender pursuant to this Agreement or any other Program Document, or in aid of the exercise of any power granted in this Agreement or any other Program Document or any such instrument or assignment. Without limiting the foregoing, the Lender may exercise any rights or remedies under applicable law or under any Program Document. None of the foregoing shall limit or be interpreted to limit in any way or by any means the Lender's right to vindicate or prosecute or otherwise protect or sue upon any right of any kind under this Agreement or any other Program Document, whether at law, in equity, or otherwise.

8.2.3. Acceleration. The Lender may by notice in writing to the Borrower declare all or any part of the unpaid balance of the Credit Obligations then outstanding to be immediately due and payable; provided, however, that if a Bankruptcy Default shall have occurred, the unpaid balance of the Credit Obligations shall automatically become immediately due and payable.

8.2.4. Enforcement of Payment; Collateral; Setoff.

(a) The Lender may send one or more notices to SunTrust or one or more Lockbox Banks in order to take control of one or more Lockboxes, one or more Lockbox Accounts, the Holding Account and the Collection Account.

(b) Without limiting the foregoing, the Lender may proceed to enforce payment of the Credit Obligations in such manner as it may elect, and to realize upon any and all rights

in the Collateral (including, without limitation, applying amounts on deposit in any account to the Credit Obligations in such manner as the Lender shall determine in its sole and absolute discretion). The Lender may offset and apply toward the payment of the Credit Obligations (or toward the curing of any Event of Default) any Indebtedness from the Lender to the Borrower, including any Indebtedness represented by deposits in any account maintained with the Lender, regardless of the adequacy of any security for the Credit Obligations. The Lender shall have no duty to determine the adequacy of any such security in connection with any such offset.

8.3. Annulment of Defaults. Once a Default or an Event of Default has occurred, such Default and Event of Default shall be deemed to exist and be continuing until cured by the Borrower to the reasonable satisfaction of the Lender (or until the Lender has waived such Default or Event of Default in writing, has stated in writing that the same has been cured to the Lender's satisfaction or has entered into an amendment to this Agreement which by its express terms cures such Default or Event of Default), at which time such Default or Event of Default shall no longer be deemed to exist or to have continued. The Lender shall not be obligated to make any such waiver, make any such statement or enter into any such amendment. No such action by the Lender shall extend to or affect any subsequent Default or Event of Default or impair any rights of the Lender upon the occurrence thereof. The making of any Loan during the existence of any Default or Event of Default shall not constitute a waiver of such Default or Event of Default.

8.4. Waivers. To the extent that such waiver is not prohibited by the provisions of applicable law that cannot be waived, the Borrower hereby waives:

(a) all presentments, demands for performance, notices of nonperformance (except to the extent required by this Agreement), protests, notices of protest and notices of dishonor;

(b) any requirement of diligence or promptness on the part of the Lender in the enforcement of its rights under this Agreement or any other Program Document;

(c) any and all notices of every kind and description which may be required to be given by any statute or rule of law; and

(d) any defense (other than payment in full) which it may now or hereafter have with respect to its liability under this Agreement or any other Program Document or with respect to the Credit Obligations.

8.5. No Effect on Security Interest. The occurrence of a Default shall not affect the security interest granted pursuant to this Agreement, including but not limited to the security interest in Property not yet owned by the Borrower (or not yet created) as of the date of the occurrence of such Default.

9. Expenses; Indemnity.

9.1. Expenses. In addition to the rights of indemnification under Section 9.2, and whether or not the transactions contemplated hereby shall be consummated, the Borrower shall pay on demand:

(a) all costs and expenses of the Lender (including, without limitation, the fees and other charges of counsel to the Lender): (i) in connection with the preparation, drafting, negotiation, execution, delivery, filing and administration (including, without limitation, periodic auditing) of (A) this Agreement and each other Program Document, and (B) any potential or actual amendment, amendment and restatement, modification or waiver of or consent in respect of this Agreement or any other Program Document (including without limitation in connection with any "workout" or any foreclosure or bankruptcy or insolvency proceeding or any litigation or other adversary proceeding); (ii) without limiting the foregoing, in connection with the Lender obtaining advice as to the rights and remedies of any Person or Persons under this Agreement and any other Program Document (including without limitation in connection with any "workout" or any foreclosure or bankruptcy or insolvency proceeding or any litigation or other adversary proceeding); and (iii) without limiting the foregoing, in connection with the enforcement of this Agreement or any other Program Document (including without limitation in connection with any "workout" or any foreclosure or bankruptcy or insolvency proceeding or any litigation or other adversary proceeding); and

(b) all recording and filing fees and transfer and documentary stamp and similar taxes at any time payable in respect of this Agreement, any other Program Document, any Collateral or the incurrence of the Credit Obligations.

9.2. General Indemnity.

(a) Indemnification by the Borrower. Whether or not the transactions contemplated hereby shall be consummated, and without limiting any other rights that the Indemnified Parties may have under this Agreement or any other Program Document or under applicable law, the Borrower hereby agrees to indemnify each Indemnified Party from and against any and all Indemnified Amounts of any kind or nature whatsoever arising out of, relating to or resulting from (whether directly or indirectly) this Agreement, any other Program Document or the transactions contemplated hereby or thereby, or with respect to the use of proceeds of Loans, or in respect of any Receivable or any other Collateral, excluding, however, Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party, or any overall net income taxes or franchise taxes imposed on such Indemnified Party by the jurisdiction under the laws of which such Indemnified Party is organized. Without limiting or being limited by the foregoing, but subject to the exclusions set forth in the preceding sentence, the Borrower shall pay on demand to each Indemnified Party any and all amounts necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from any of the following:

(i) the failure of any Account to be an Eligible Account, the failure of any information contained in any report delivered under this Agreement to be true and correct, or the failure of any other information provided to the Lender with respect to any Collateral or pursuant to or in connection with this Agreement or any other Program Document to be true and correct; or

(ii) the failure of any representation or warranty or statement or certification made or deemed made by the Borrower or any Seller or any Lockbox Bank (or any officer of any of the foregoing) under or in connection with this Agreement or any other Program Document to have been true and correct in all material respects when made; or

(iii) the failure by the Borrower or any Seller or any Lockbox Bank to comply with any applicable law, rule or regulation (including without limitation "bulk sales" or analogous laws of any jurisdiction) with respect to any Account or other Collateral or the transactions contemplated by this Agreement or any other Program Document; or the failure of any Account or other Collateral to conform to any such applicable law, rule or regulation; or

(iv) the failure to vest in the Lender, a valid and enforceable first priority perfected security interest in the Collateral, in each case free and clear of any Lien; or

(v) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Accounts or other Collateral, whether at the time of any Loan or at any subsequent time; or

(vi) any dispute, claim, offset, billing adjustment or defense of any Third Party Obligor to the payment of any Account (including, without limitation, a defense based on such Account not being a legal, valid and binding obligation of such Third Party Obligor enforceable against it in accordance with its terms) and any other claim resulting from the sale of the goods or services related to any Account or the furnishing or failure to furnish such goods or services or relating to collection activities with respect to any Account; or

(vii) any failure of the Borrower or any Seller or SunTrust or any Lockbox Bank to perform or comply with its duties or obligations in accordance with the provisions of this Agreement or any other Program Document; or

(viii) the ownership, delivery, non-delivery, possession, design, construction, use, maintenance, transportation, performance (whether or not according to specifications), operation (including without limitation the failure to operate or faulty operation), condition, return, sale, repossession or disposition of any Collateral

(including, without limitation, claims for injury to persons or property, claims under other liability principles, and claims for breach of warranty, whether express or implied); or

(ix) any claim, investigation, litigation or proceeding (including without limitation any foreclosure or bankruptcy or insolvency proceeding or appellate proceeding) arising out of or in connection with the goods, insurance or services relating to any Account or any other Collateral; or

(x) the commingling of any portion of Collections at any time with other funds; or

(xi) any claim, investigation, litigation or proceeding (including without limitation any foreclosure or bankruptcy or insolvency proceeding or appellate proceeding) related to this Agreement or any other Program Document or the use of proceeds of any Loan or in respect of any Account or other Collateral, whether or not any Indemnified Party is a party to such claim, investigation, litigation or proceeding; or

(xii) the failure to notify any Third Party Obligor of the assignment of any Account from a Seller to the Borrower, or of the pledge of any Account to the Lender, or the failure to require that payments (including without limitation under insurance policies) be made directly to the Seller or to the Lender, as permitted by law; or

(xiii) any brokerage, finder's or other similar fee or commission; or

(xiv) any taxes asserted or imposed in respect of (A) the Accounts or other Collateral or (B) purchases and sales or pledges of Accounts or other Collateral or (C) the transactions contemplated by this Agreement or any other Program Document; or

(xv) any action or omission by the Borrower or any Seller or SunTrust or any Lockbox Bank or any Third Party Obligor which reduces or impairs the rights of the Lender with respect to any Account or other Collateral; or

(xvi) any payment made by the Lender to or for the benefit of SunTrust or any Lockbox Bank.

(b) General. For purposes of this Section 9.2, in determining whether any representation or warranty or information was true and correct, or whether any duty or obligation was performed or complied with, any qualification or limitation in such representation and warranty or information or duty or obligation as to materiality, Material Adverse Effect, knowledge, reasonableness, expectations, or limitation on enforcement shall be disregarded. Indemnification pursuant to this Section 9.2 shall not be limited by any due

diligence or other investigation made by or on behalf of the Lender or any other Indemnified Party.

10. Collateral: General Terms

10.1. Security Interest in Collateral. To secure the payment and performance to the Lender (and to all Indemnified Parties) of the Credit Obligations, the Borrower hereby grants to the Lender a continuing security interest of first priority in and Lien upon all of the Borrower's right, title and interest in, to and under the following (in each case, whether now owned or existing or hereafter created, acquired or arising and wherever located):

(a) all Receivables, including without limitation all Purchased Accounts;

(b) all Related Property;

(c) the Lockboxes and the Lockbox Accounts, the Collection Account, and all Items (as defined in the Form Lockbox Agreement) and funds on deposit from time to time in the Lockboxes, the Lockbox Accounts and the Collection Account;

(d) the Holding Account, the Non-Government Obligor Reserve Account, and all funds on deposit from time to time in the Holding Account and the Non-Government Obligor Reserve Account;

(e) all inventory (as presently or hereafter defined in the UCC), equipment (as presently or hereafter defined in the UCC) and any other tangible assets or Property;

(f) all General Intangibles;

(g) all monies and other Property of any kind, now or at any time or times hereafter owned, in the possession or under the control of the Borrower or a bailee of the Borrower or any Lockbox Bank;

(h) the Program Documents and all other contracts, contract rights, chattel paper (as presently or hereafter defined in the UCC), instruments (as presently or hereafter defined in the UCC) and documents of the Borrower;

(i) all other Property of the Borrower;

(j) all accessions to, substitutions for and all replacements, products and cash and cash proceeds and non-cash proceeds of the items referred to in clauses (a) through (i) above, including, without limitation, (x) all Collections and (y) all proceeds of and unearned premiums with respect to insurance policies insuring any of the Collateral; and

(k) all books and records (including, without limitation, customer lists, credit files, computer programs, print-outs, and other computer materials and records) of the Borrower pertaining to any of the items referred to in clauses (a) through (j) above.

10.2. Lien Perfection. The Borrower agrees to execute UCC financing statements and any and all other instruments, assignments or documents, and shall take such other action, as may be necessary or appropriate in the judgment of the Lender to perfect or to continue the perfection of the Lender's security interest in the Collateral. Unless prohibited by applicable law, the Borrower hereby authorizes the Lender to execute and file any such financing statement on the Borrower's behalf. The Lender hereby agrees to notify the Borrower of any such filing of a financing statement without the Borrower's signature; provided, however, that any failure to give such notice shall not affect in any respect whatsoever the validity or effectiveness of such financing statement or the perfection or continued perfection of the Lender's security interest in the Collateral. The parties agree that a carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement and may be filed in any office by the Lender.

10.3. Location of Collateral. All tangible Collateral shall at all times be kept by the Borrower at the business location set forth in Section 7.10 and shall not, without the prior written approval of the Lender, be moved therefrom.

10.4. Protection of Collateral. All insurance expenses and all expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping the Collateral, any and all excise, property, sales, and use taxes imposed by any Governmental Authority on any of the Collateral or in respect of the sale thereof, shall be borne and paid by the Borrower. If the Borrower fails to promptly pay any portion thereof when due, the Lender may, at its option, but shall not be required to, pay the same and charge the Borrower therefor. The Borrower shall reimburse the Lender promptly therefor with interest accruing thereon daily at the Overdue Reimbursement Rate. All sums so paid or incurred by the Lender for any of the foregoing and all costs and expenses (including attorneys' fees, legal expenses, and court costs) which the Lender may incur in enforcing or protecting its Lien on or rights and interest in the Collateral or any of its rights or remedies under any Program Document or in respect of any of the transactions to be had hereunto, together with interest at the Overdue Reimbursement Rate, shall be considered Credit Obligations hereunder secured by all Collateral. The Lender shall not be liable or responsible in any way for the safekeeping of any of the Collateral or for any loss or damage thereto or for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency, or other Person whomsoever, but the same shall be at the Borrower's sole risk.

10.5. Certain Provisions Relating to Accounts.

10.5.1. Assignments, Records and Reports of Accounts. If so requested by the Lender, the Borrower shall execute and deliver to the Lender formal written assignments of all of its interests in Accounts weekly or, if requested by the Lender, daily, which shall include all Accounts in which the Borrower has acquired an interest since the date of the last assignment, together with copies of invoices or invoice registers related thereto. The

Borrower shall keep accurate and complete records of its interests in the Accounts and all payments and collections thereon and shall submit to the Lender such reports in form and substance satisfactory to the Lender as are required by the terms hereof. The Borrower shall deliver such other reports of its interest in the Accounts in form and substance satisfactory to the Lender, as requested by the Lender from time to time.

10.5.2. Administration of Accounts.

(a) Upon and after the occurrence of an Event of Default that has not been cured or waived in accordance with Section 8.3, the Lender shall have the right to settle or adjust all disputes and claims directly with the Third Party Obligors and to compromise the amount or extend the time for payment of the Accounts upon such terms and conditions as the Lender may deem advisable, and to charge the deficiencies, costs and expenses thereof, including attorney's fees, to the Borrower.

(b) If any Account includes a charge for any tax payable to any Governmental Authority, the Lender is authorized, after the occurrence of an Event of Default, to pay the amount thereof to the proper Governmental Authority for the Account and to charge the Borrower therefor. The Borrower shall notify the Lender if any Account includes any tax payable to any Governmental Authority and, in the absence of such a notice (i) with respect to any Account, the Borrower shall be deemed to have made a representation and warranty to the Lender that no portion of such Account is payable to any Governmental Authority and (ii) the Lender shall have the right to retain the full proceeds of the Account. In no event shall the Lender be liable for any taxes to any Governmental Authority that may be due by the Borrower by reason of the sale and delivery creating an Account.

(c) Upon and following the occurrence of a Default or an Event of Default and while such Default or Event of Default is continuing, any of the Lender's officers, employees or agents shall have the right in the name of the Lender, any designee of the Lender or the Borrower, to verify the validity, amount or any other matter relating to any Accounts by mail, telephone, telegraph or otherwise. The Borrower shall cooperate fully with the Lender in an effort to facilitate and promptly conclude any such verification process.

10.5.3. Costs of Collection. All costs of collection of the Accounts including attorney's fees, out-of-pocket expenses, administrative and record-keeping costs, and all service charges and costs related to the establishment and maintenance of each Lockbox and each Lockbox Account, shall be the responsibility of the Borrower, whether the same are incurred by the Lender or the Borrower, as the case may be, and the Lender, in its sole discretion, may charge the same against the Borrower or any account maintained by the Borrower and the same shall be deemed part of the Credit Obligations.

11. Netting. The Lender shall have the right from time to time without notice to net, recoup, set-off and deduct from any amount to be advanced by the Lender to the Borrower (or from any other amount that may be payable by the Lender to the Borrower) any and all fees, costs,

expenses and other amounts that are payable by the Borrower pursuant to this Agreement, including without limitation, amounts payable pursuant to Section 5.1(g), Section 9.1 and Section 9.2. In each case, the amount so netted, recouped, set-off, or deducted shall be deemed to have been advanced by the Lender as a Loan to the Borrower and shall constitute a Loan for all purposes of this Agreement. The Lender shall use reasonable efforts to give the Borrower notice of any such netting within five (5) Business Days after any such netting; provided that any failure or delay in giving any such notice (i) shall not limit or otherwise affect any rights or remedies of the Lender, and (ii) shall not impose any liability on the Lender.

12. Successors and Assigns; Lender Assignments and Participations. Any reference in this Agreement to any of the parties hereto shall be deemed to include the successors and permitted assigns of such party, and all covenants and agreements by or on behalf of the Borrower or the Lender that are contained in this Agreement shall bind and inure to the benefit of their respective successors and permitted assigns; provided, however, that the Borrower shall not assign or delegate any of its rights or obligations under this Agreement or any other Program Document (whether directly or indirectly, voluntarily or by operation of law) without prior written consent of the Lender.

12.1. Assignments by Lender.

12.1.1. Assignees.

(a) The Lender may without the consent of the Borrower assign to one or more Persons (each, an "Assignee") all or a portion of its interests, rights and obligations under this Agreement and the other Program Documents, including all or a portion of the Loans. From and after the effective date specified for such an assignment:

(i) the Assignee shall be a party hereto and, to the extent of such assignment, have the rights and obligations of the Lender under this Agreement; and

(ii) the assigning Lender shall, to the extent provided in such assignment, be released from its obligations under this Agreement (and, in the case of an assignment covering all or the remaining portion of an 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 3.3 and 9, as well as to any fees accrued for its account hereunder and not yet paid).

(b) The Lender shall give prompt notice of such an assignment to the Borrower.

12.1.2. Further Assurances. The Borrower shall sign such documents and take such other actions from time to time reasonably requested by an Assignee to enable it to share in the benefits of the rights created by the Program Documents.

12.2. Credit Participants. The Lender may, without the consent of the Borrower, sell to one or more Persons (each a "Credit Participant") participations in all or a portion of its interests, rights and obligations under this Agreement and the other Program Documents (including all or a portion of the Loans); provided, however, that:

(a) the Lender's obligations under this Agreement shall remain unchanged;

(b) the Lender shall remain solely responsible to the Borrower for the performance of such obligations; and

(c) the Credit Participant shall be entitled to the benefit of the provisions contained in Sections 3.3, 9.1 and 9.2, but shall not be entitled to receive any greater payment thereunder than the Lender would have been entitled to receive with respect to the interest so sold if such interest had not been sold.

The Borrower agrees, to the fullest extent permitted by applicable law, that any Credit Participant and any Lender purchasing a participation from another Lender may exercise all rights of payment (including the right of set-off), with respect to its participation as fully as if such Credit Participant or such Lender were the direct creditor of the Borrower and a Lender hereunder in the amount of such participation.

13. Notices. Except as otherwise specified in this Agreement, any notice, consent, approval, demand or other communication in connection with this Agreement shall be given in writing. Any notice, consent, approval, demand or other communication in connection with this Agreement shall be deemed to be given if given in writing (including telecopy) addressed as provided in Schedule 13 hereto (or to the addressee at such other address as the addressee shall have specified by notice actually received by the addressor), and if either (a) actually delivered in fully legible form to such address or (b) in the case of a letter, unless actual receipt of the notice is required by this Agreement, five days shall have elapsed after the same shall have been deposited in the United States mails, with first-class postage prepaid and registered or certified.

14. Course of Dealing; Amendments and Waivers. No course of dealing between the Lender, on one hand, and the Borrower or any other Person, on the other hand, shall operate as a waiver of the Lender's rights under this Agreement or any other Program Document or with respect to the Credit Obligations. The Borrower acknowledges that if the Lender gives any notice or information to, or obtains any consent from any other Person, the Lender shall not by implication have amended, waived or modified any provision of this Agreement or any other Program Document, or created any duty to give any such notice or information or to obtain any such consent on any future occasion. No delay or omission on the part of the Lender in exercising any right under this Agreement or any other Program Document or with respect to the Credit Obligations shall operate as a waiver of such right or any other right hereunder or thereunder. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. This Agreement may be amended only by a

writing signed by both of the parties hereto. No waiver or consent with respect to this Agreement shall be effective unless it is in writing and is signed by the waiving party or consenting party, as the case may be.

15. Survival. Sections 3.3, 9.1, 9.2, 11, 14-21 and any indemnities set forth herein shall survive the execution and delivery of this Agreement, the making and repayment of the Loans, the satisfaction of all other Credit Obligations and termination of this Agreement.

16. GOVERNING LAW AND JURISDICTION, ETC. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY LAWSUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH LAWSUIT, ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH LAWSUIT, ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT SHALL AFFECT ANY RIGHT THAT THE LENDER MAY OTHERWISE HAVE TO BRING ANY LAWSUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT AGAINST ANY PERSON OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY LAWSUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT IN ANY COURT REFERRED TO IN THIS SECTION 16. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH LAWSUIT, ACTION OR PROCEEDING IN ANY SUCH COURT. EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 13. NOTHING IN THIS AGREEMENT SHALL AFFECT THE RIGHT OF ANY PARTY TO THIS

AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. TO THE EXTENT THAT THE BORROWER HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE BORROWER HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND UNDER ANY OTHER PROGRAM DOCUMENT.

17. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES HERETO AGAINST ANY OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY HERETO HEREBY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH OF THE PARTIES HERETO FURTHER AGREES THAT ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY LAWSUIT, ACTION, OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT OR ANY PROVISION HEREOF OF THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, AMENDMENTS AND RESTATEMENTS, OR MODIFICATIONS TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT.

18. Headings. The headings and captions of sections and subsections in this Agreement, of the exhibits to this Agreement, and the table of contents of this Agreement, are for purposes of reference only and shall not limit or otherwise affect the meaning or interpretation of any provision of this Agreement.

19. Interest Rates.

(a) It is the intention of the parties hereto that the Loans made hereunder shall conform strictly to applicable usury laws. Accordingly, none of the terms and provisions contained in this Agreement or any of the other Program Documents shall ever be construed to create a contract to pay interest to the Lender for the use, forbearance or detention of money at a rate in excess of the highest lawful rate applicable (the "Maximum Lawful Rate"); for purposes of this Section 19, "interest" shall include the aggregate of all charges or other consideration which constitute interest under applicable laws (whether or not denominated

as interest) and are contracted for, taken, reserved, charged or received under any of this Agreement or the other Program Documents or otherwise in connection with the transactions contemplated by this Agreement and the other Program Documents. If as a result of prepayment, acceleration of maturity or otherwise, the effective rate of interest which would otherwise be payable to the Lender under this Agreement or any other Program Document would exceed the Maximum Lawful Rate for the period during which the principal amount of the Loans was outstanding, or if the Lender shall receive moneys or other consideration that are deemed to constitute interest that would increase the effective rate of interest payable by the Borrower to the Lender under this Agreement or any other Program Document to a rate in excess of the Maximum Lawful Rate for the period during which the principal amount of the Loans was outstanding, then (i) the amount of interest that would otherwise be payable by the Borrower to the Lender under this Agreement and the other Program Documents shall be reduced to the Maximum Lawful Rate, and (ii) any interest paid by the Borrower to the Lender in excess of the Maximum Lawful Rate shall be credited by the Lender as an optional prepayment of the Loans (to be applied, to the extent lawful, to interest, principal and other Credit Obligations in the order specified in Section 4.5.2) and, thereafter, shall be returned to the Borrower. All calculations of the rate or amount of interest contracted for, taken, reserved, charged or received by the Lender under any of this Agreement and the other Program Documents that are made for the purpose of determining whether such rate or amount exceeds the Maximum Lawful Rate shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating and spreading during the full stated term of all of the Loans owed to the Lender.

(b) If at any time and from time to time (i) the amount of interest payable to the Lender on any date would otherwise exceed the Maximum Lawful Rate, the amount of interest payable to the Lender shall be limited to the Maximum Lawful Rate pursuant to paragraph (a) above and (ii) in respect of any subsequent interest computation period, the amount of interest otherwise payable to the Lender would be less than the amount of interest payable to the Lender computed at the Maximum Lawful Rate, then the amount of interest payable in respect of such subsequent computation period shall be computed at the Maximum Lawful Rate until the earlier to occur of (x) the date upon which the total amount of interest payable to the Lender shall equal the total amount of interest that would have been payable to the Lender if the total amount of interest had been computed without giving effect to paragraph (a) above, or (y) payment in full of the Loans.

20. No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and the other Program Documents with counsel sophisticated in financing transactions. In the event an ambiguity or question of intent or interpretation arises, this Agreement and the other Program Documents shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement and the other Program Documents. Without limiting the generality of the foregoing, this Agreement may use more than one test, calculation, representation and warranty, covenant, Event of Default or measure to cover the same or similar matters, and all of such tests, calculations, representations and

warranties, covenants, Events of Default and measurements are cumulative in nature and each shall be tested, calculated, determined, performed or measured in accordance with its terms.

21. Miscellaneous.

(a) All covenants, agreements, and representations and warranties made in this Agreement or any other Program Document or in certificates delivered pursuant hereto or thereto shall be deemed to have been relied on by the Lender and shall survive the execution and delivery to the Lender hereof and thereof.

(b) The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof.

(c) This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous understandings and agreements, whether written or oral. In the event of any conflict or inconsistency between this Agreement and any other document or agreement to which the Borrower and the Lender are parties, this Agreement shall control.

(d) This Agreement may be executed in any number of counterparts and by the parties hereto on different and separate counterparts, each of which shall constitute and original and all of which together shall constitute one agreement.

(e) The Borrower acknowledges that there is no, and it shall not seek or attempt to establish any, fiduciary relationship between the Borrower and the Lender. The Borrower waives any right to assert, now or in the future, the existence or creation of any fiduciary relationship between the Borrower and the Lender in any Proceeding (whether by way of claim, counterclaim, crossclaim or otherwise) for damages or other relief.

(f) The Borrower acknowledges that this Agreement is one of financial accommodation and is not assumable by the Borrower (whether as debtor or debtor-in-possession), or by the bankruptcy trustee of the Borrower, in any bankruptcy proceeding without the Lender's express written consent.

(g) The Lender's books and records shall be admissible in evidence without objection as prima facie evidence of the status of the accounts between the Lender and the Borrower. Each statement, report or accounting, if any, provided by the Lender to the Borrower shall be deemed conclusively accurate and binding on the Borrower unless, within fifteen (15) days after the date such statement, report or accounting was given to the Borrower by the Lender, the Borrower notifies the Lender to the contrary by registered or certified mail, setting forth with reasonable specificity the reasons why the Borrower believes such statement, report or accounting is inaccurate, as well as what the Borrower believes to be correct amount(s) therefor. The Borrower's failure to receive any such statement shall not

relieve it of the responsibility to request such statement and the Borrower's failure to do so shall nonetheless bind the Borrower to whatever the Lender's records would have reported.

(h) Each of the Lender's rights and remedies under this Agreement and any other Program Document are cumulative, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies which the Lender may have under applicable law. The Lender shall have the right, in its sole discretion, to determine which rights and remedies, and in which order any of the same, are to be exercised. No act, failure or delay by the Lender shall constitute a waiver of any of the rights and remedies to which it would otherwise be entitled. In the event the Lender deems it necessary to seek equitable relief, including, but not limited to, injunctive or receivership remedies, as a result of a Default, the Borrower waives any requirement that the Lender post or otherwise obtain or procure any bond. In the event the Lender, in its sole and exclusive discretion, desires to procure and post a bond, the Lender may procure and file with the court a bond in an amount which the Lender selects (which amount may be fifty thousand dollars ($50,000) or such other amount as the Lender selects) in its sole and exclusive discretion. Upon the Lender's posting such a bond, the Lender shall be entitled to all benefits as if such bond was posted in compliance with applicable law. The Borrower also waives any right it may be entitled to, including an award of attorney's fees or costs, in the event any relief (whether equitable or otherwise) sought by and awarded to the Lender is thereafter, for whatever reason, vacated, dissolved or reversed. Notwithstanding the existence of any law, statute or rule in any jurisdiction which may provide the Borrower with a right to attorney's fees or costs, the Borrower hereby (x) waives any and all rights to hereafter seek attorney's fees or costs from the Lender and (y) agrees that the Lender exclusively shall be entitled to indemnification and recovery of any and all attorney's fees or costs in respect to any Proceeding based hereon, arising out of, or related hereto, whether under, or in connection with, this Agreement or any agreement executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party.

(i) In the event that a court of competent jurisdiction renders a final, non-appealable judgment that the Borrower suffered actual damages as the direct result of the Lender's willful misconduct, then the Lender shall be liable to the Borrower for such amount of actual damages (excluding any attorney's fees or costs which may be included in or which may relate to such actual damages). Notwithstanding the foregoing, and notwithstanding any other term or provision of this Agreement, under no circumstances shall the Lender be liable for any incidental, punitive, special or consequential damages, including, but not limited to, any costs associated therewith, whether the Lender did or did not have any reason to know of a loss that may result from any general or particular requirement of the Borrower.

(j) Notwithstanding any other term or provision of this Agreement, and notwithstanding the date of this Agreement, this Agreement shall become effective at the Designated Effective Time but not prior to the Designated Effective Time. The parties intend that the foregoing shall constitute an explicit agreement within the meaning of Section 9-203(2) of the UCC postponing the time of attachment of the security interest

created under this Agreement until the Designated Effective Time. "Designated Effective Time" shall mean 8:00 a.m. Florida time on the Initial Lending Date.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first above written.

SUN CAPITAL HEALTHCARE, INC.

By: _____
Howard B. Koslow
President and Chief Operating Officer

FOUNDING PARTNERS MULTI-STRATEGY FUND, L. P.

By Founding Partners Capital Management Company, its general partner

By _____
William L. Gunlicks
President and Chief Executive Officer

CREDIT AND SECURITY AGREEMENT

between

SUN CAPITAL, INC.,
as Borrower,

and

FOUNDING PARTNERS STABLE-VALUE FUND, L.P., as Lender

Dated as of January 24, 2002

4930948

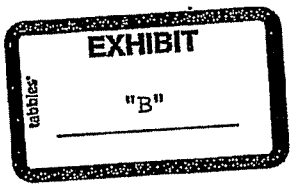


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EXHIBITS

Exhibit A [Reserved]
Exhibit B Form Purchase and Sale Agreement
Exhibit C Form of Amendment to Definition of Maximum Amount of Credit
Exhibit D Form of Officer's Certificate (Section 5.21)

CREDIT AND SECURITY AGREEMENT

This CREDIT AND SECURITY AGREEMENT, dated as of January 24, 2002, is between SUN CAPITAL, INC., a Florida corporation (the "Borrower"), and FOUNDING PARTNERS STABLE-VALUE FUND, L.P. ("Founding Partners"), in its capacity as Lender hereunder.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions; Certain Rules of Construction. Certain capitalized terms are used in this Agreement with the specific meanings defined below in this Section 1. Except as otherwise explicitly specified to the contrary or unless the context clearly requires otherwise, (a) the capitalized term "Section" refers to sections of this Agreement, (b) the capitalized term "Exhibit" or "Schedule" refers to an exhibit or schedule to this Agreement, (c) references to a particular Section include all subsections thereof, (d) the word "including" shall be construed as "including without limitation" (without limiting the foregoing, the parties acknowledge that in some places in this Agreement the complete phrase "including without limitation" is already used), (e) accounting terms not otherwise defined herein have the meaning provided under GAAP, (f) references to a particular statute or regulation include all rules and regulations thereunder and any successor statute, regulation or rules, in each case as from time to time in effect, (g) the meanings of defined terms are equally applicable to the singular and plural forms of such defined terms, (h) the words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement, (i) the word "or" is not exclusive, and (j) references to a particular Person include such Person's successors and assigns to the extent not prohibited by this Agreement. References to "the date hereof" mean the date first set forth above.

1.1. "Account" shall mean an "account" as such term is now or hereafter defined in the UCC and any other "Account" or account receivable contemplated by a Purchase and Sale Agreement.

1.2. "Affiliate" shall mean, with respect to the Borrower (or any other specified Person), any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with the Borrower (or such specified Person), and shall include (a) any officer or director of the Borrower (or such specified Person), and (b) any Person of which the Borrower (or such specified Person) shall, directly or indirectly, beneficially own either (i) at least five percent (5%) of the outstanding equity securities having the general power to vote or (ii) at least five percent (5%) of all equity interests; provided, however, that "Affiliate," with respect to the Borrower or its Affiliates, shall not include Founding Partners or any partner of Founding Partners.

1.3. "Agreement" shall mean this Credit and Security Agreement as it may be amended, amended and restated or otherwise modified from time to time.

1.4. "A.M. Best" shall mean A.M. Best Company, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

1.5. "Amount Paid to Seller" means, with respect to a particular Account, the actual amount paid by the Borrower to the related Seller for such Account pursuant to the related Purchase and Sale Agreement.

1.6. "Applicable Rate" shall mean one and 4,167/10,000 percent (1.4167%) per month.

1.7. "Assignee" is defined in Section 12.1.1.

1.8. "Availability Termination Date" shall mean the date that is the Business Day immediately preceding the Final Maturity Date.

1.9. "Bankruptcy Code" shall mean Title 11 of the United States Code.

1.10. "Bankruptcy Default" shall mean an Event of Default contemplated by Section 8.1.11.

1.11. "Borrower" has the meaning set forth in the first paragraph of this Agreement.

1.12. "Borrower's Books" shall mean all of the Borrower's books and records including, but not limited to: minute books; ledgers; records indicating, summarizing, relating to or evidencing the Borrower's assets, liabilities, and the Accounts; all information relating to the Borrower's business operations; and all computer programs, disc or tape files, printouts, runs, and other computer prepared information and the equipment containing such information.

1.13. "Borrowing Base" shall mean, on any date, an amount equal to the result of:

(a) the sum of eighty-five percent (85%) of the Net Face Values of the Purchased Accounts which are then Tier 1 Accounts, plus seventy-five percent (75%) of the Confirmed Collectible Amounts of the Purchased Accounts which are then Tier 2 Accounts, minus

(b) to aggregate amount of Collections on such Purchased Accounts, minus

(c) without duplication, the aggregate amount of Dilutions with respect to such Purchased Accounts, minus

(d) the aggregate amount then owed by the Borrower to the Sellers; provided that:

(i) the Borrowing Base shall be shown on the most recent Weekly Report furnished to the Lender in accordance with Section 6.5;

(ii) not more than twenty-five percent (25%) of the aggregate amount of the Borrowing Base may relate to the Tier 2 Accounts;

(iii) if the then Outstanding Amounts Paid to Sellers with respect to Purchased Accounts which are Eligible Accounts on any day is less than the amount determined pursuant to clause (a) above, then clause (a) above for such day shall equal the Outstanding Amounts Paid to Sellers with respect to Purchased Accounts which are then Eligible Accounts; and

(iv) the Borrowing Base shall be reduced to zero dollars ($0) at any time the Borrower has failed to furnish the computation of the Borrowing Base in the Weekly Report within one day after such Weekly Report was originally due pursuant to Section 6.5 until such time as the Borrower has duly delivered the Borrowing Base computation with respect to such Weekly Report and Borrower has not omitted the Borrowing Base computation with respect to any succeeding Weekly Report.

1.14. "Borrowing Base Deficiency" shall mean that the Loan Availability does not exceed zero dollars ($0).

1.15. "Business Day" shall mean any day other than (i) Saturday, (ii) Sunday or (iii) a day on which banks in Chicago, Illinois or Naples, Florida are authorized or required by law or other governmental action to close.

1.16. "By-Laws" shall mean all written by-laws, rules, regulations and all other documents relating to the management, governance or internal regulation of any Person other than an individual, all as from time to time in effect.

1.17. "Capital Expenditures" shall mean, for any period, amounts added or required to be added to the property, plant and equipment or other fixed assets account on the balance sheet of the Borrower, prepared in accordance with GAAP, in respect of (a) the acquisition, construction, improvement or replacement of land, buildings, machinery, equipment, leaseholds and any other real or personal property, (b) to the extent not included in clause (a) above, materials, contract labor and direct labor relating thereto (excluding amounts properly expensed as repairs and maintenance in accordance with GAAP) and (c) software development costs to the extent not expensed.

1.18. "Capitalized Lease" shall mean any lease which is required to be capitalized on the balance sheet of the lessee in accordance with GAAP.

1.19. "Capitalized Lease Obligations" shall mean the amount of the liability reflecting the aggregate discounted amount of future payments under all Capitalized Leases calculated in accordance with GAAP.

1.20. "Change of Ownership Event" shall mean any point in time in which the individuals referred to in Section 7.26 (excluding their respective successors and assigns) shall cease to collectively own directly one hundred percent (100%) of the issued and outstanding shares of voting stock of the Borrower, free and clear of all Liens.

1.21. "Closing Date" shall mean the Initial Lending Date and each other date on which any Loan is made pursuant to Section 2.1.

1.22. "Code" means the Internal Revenue Code of 1986, as amended.

1.23. "Collateral" shall mean all of the Property and interests in Property described in Section 10.1, and all other Property and interests in Property that now or hereafter secure the payment or performance of any of the Credit Obligations.

1.24. "Collections" shall mean all funds (regardless of whether in the form of cash, checks, money orders, wire transfers, automatic clearinghouse transfers, money-grams or otherwise) paid by any Person in payment of or in respect of any Account or any fee or other amount paid to the Borrower under a Purchase and Sale Agreement.

1.25. "Confirmed Collectible Amount" shall mean, with respect to an Account, the amount that the Obligor has informed the Borrower, either verbally or in writing, that such Obligor shall pay with respect to such Account; provided that if the unpaid balance of an Account is less than five thousand dollars ($5,000) prior to becoming a Purchased Account, the Confirmed Collectible Amount of such Account shall mean the amount that the Borrower reasonably expects to collect on such Account from the Obligor thereof prior to such Account becoming a Defaulted Account.

1.26. "Constituent Documents" shall mean, with respect to any non-individual Person: if such Person is a corporation, its certificate of incorporation and By-Laws; if such Person is a limited partnership, its certificate of limited partnership and its limited partnership agreement; and if such Person is a limited liability company, its certificate of formation and its limited liability company agreement.

1.27. "Credit Insurance Policy" shall mean the business credit insurance policy issued by the Designated Insurer in favor of the Borrower. As of the date of this Agreement, the Credit Insurance Policy is the credit insurance policy number 365514R issued by the EULER/ACI in favor of the Borrower.

1.28. "Credit Obligations" shall mean the Loans and all present and future liabilities, covenants, duties, obligations and Indebtedness of the Borrower owing to the Lender (or any Affiliate of the Lender) under or in connection with this Agreement or any other Program Document, including obligations in respect of principal, interest, amounts provided for in Sections 3.2, 3.3 and 9 and other fees, charges, indemnities and expenses from time to time owing hereunder or under any other Program Document (whether accruing before or after a Bankruptcy Default), in

each case whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter arising.

1.29. "Credit Participant" is defined in Section 12.2.

1.30. "Debtor Relief Laws" shall mean the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshaling of assets or any other debtor relief law or any other similar law of (a) the United States, (b) any state or (c) any foreign country from time to time in effect, including without limitation any such law that is applicable to the insurance company that issued the Credit Insurance Policy.

1.31. "Default" shall mean (a) any Event of Default, or (b) any event, circumstance or condition which with the passage of time or giving of notice, or both, would become an Event of Default.

1.32. "Defaulted Account", on any date of determination, shall mean a Purchased Account (i) as to which at least one hundred twenty (120) days have passed since the Invoice Date for such Purchased Account or (ii) the Obligor of which is a party to a proceeding provided under any Debtor Relief Law (other than solely as a creditor or a claimant).

1.33. "Designated Insurer" shall mean EULER/ACI or any other insurance company that the Borrower and the Lender may mutually designate in writing from time to time as the "Designated Insurer".

1.34. "Dilution" shall mean, with respect to an Account, any reduction in the amount of such Account, other than as a result of (and in the amount of) payments by the Obligor of such Account.

1.35. "Discount Fee" shall mean, as of any date of determination, the aggregate "discount fee" accrued with respect to a particular Purchased Account determined in accordance with the related Purchase and Sale Agreement.

1.36. "Distribution" shall mean, with respect to the Borrower (or other specified Person):

(a) the declaration or payment of any dividend or distribution, including dividends payable in shares of capital stock of or other equity interests in the Borrower (or such specified Person), on or in respect of any shares of any class of capital stock of or other equity interests in the Borrower (or such specified Person);

(b) the purchase, redemption or other retirement of any shares of any class of capital stock of or other equity interest in the Borrower (or such specified Person) or of options, warrants or other rights for the purchase of such shares, directly, indirectly, through a Subsidiary or otherwise;

(c) any other distribution on or in respect of any shares of any class of capital stock of or equity or other beneficial interest in the Borrower (or such specified Person);

(d) any payment with respect to, or any purchase, redemption or defeasance of, any Indebtedness of the Borrower (or such specified Person);

(e) any payment, loan or advance by the Borrower (or such specified Person) to, or any other Investment by the Borrower (or such specified Person) in, the holder of any shares of any class of capital stock of or other equity interests in the Borrower (or such specified Person), or any Affiliate of such holder, including the payment of management and transaction fees; and

(f) any other cash payments by the Borrower to any Person (other than to the Lender or as permitted or directed by the Lender).

1.37. "Dollars" or "$" shall mean United States Funds.

1.38. "Effective Date" shall mean the first date upon which each of the conditions precedent set forth in Section 5.1 shall have been satisfied or waived to the satisfaction of the Lender.

1.39. "Eligible Account" shall mean, at any time, an Account:

(a) that is payable in United States dollars, for services rendered or goods sold in the United States;

(b) that is not a Defaulted Account;

(c) as to which the Purchase Date is not more than sixty (60) days after the applicable Invoice Date and which contains payment terms of net sixty (60) days, or less, from such Invoice Date;

(d) which was billed to the Obligor prior to its Purchase Date;

(e) as to which the Borrower has good and marketable title free and clear of all Liens (other than Liens in favor of the Lender);

(f) as to which the Lender has a fully perfected first priority security interest;

(g) (i) which is an "account" (as presently or hereafter defined in the UCC), (ii) which is not evidenced by "chattel paper" (as presently or hereafter defined in the UCC), and (iii) which is not evidenced by an "instrument" (as presently or hereafter defined in the UCC);

(h) which does not arise from the sale or other delivery or provision of health care goods or services or medical goods or services;

(i) if the Seller of such Account is not party to a proceeding under any Debtor Relief Law (other than solely as a creditor);

(j) as to which all of the representations and warranties made by the applicable Seller in the applicable Purchase and Sale Agreement are true and correct;

(k) as to which Account (and the related Seller), all of the representations and warranties of the Borrower in this Agreement are true and correct; and

(l) as to which the Borrower has not made any "charge" or "chargeback" to the Seller's account.

Notwithstanding the foregoing, Eligible Accounts shall not include the following: (a) Accounts with respect to which the Obligor is an officer, employee or agent of the Borrower; (b) Accounts with respect to which services or goods are placed on consignment, guaranteed sale, or other terms by reason of which the payment by the Obligor may be conditional; (c) Accounts with respect to which the Obligor is not a resident of the United States unless the Lender has approved such Obligor in writing; (d) Accounts with respect to which the Obligor is a Government Obligor; provided, however, that an Account shall not be deemed ineligible by reason of this clause (d) if (i) in the case of a Government Obligor that is the United States or any department, agency or instrumentality of the United States, the Borrower has completed all of the steps necessary to comply with the Federal Assignment of Claims Act of 1940 (31 U.S.C. §203) with respect to such Account and (ii) in the case of a Government Obligor that is a State of the United States or any department, agency or instrumentality of such State, either (A) the Borrower has complied with any law, rule or regulation applicable to such Government Obligor that is similar to the Federal Assignment of Claims Act or (B) no such similar law, order or regulation is applicable to such Government Obligor; (e) Accounts with respect to which the Obligor is a subsidiary of, related to, has one or more common officers or directors with the Borrower, or otherwise is an Affiliate of the Borrower; (f) Accounts with respect to which Borrower is or becomes liable to the Obligor for goods sold or services rendered by the Obligor to the Borrower; (g) Accounts owed by an Obligor the aggregate unpaid amount of which exceeds twenty-five percent (25%) of the aggregate unpaid amount of all Eligible Accounts; (h) all of the Accounts owed by an Obligor that is the subject of a proceeding under a Debtor Relief Law; (i) all of the Accounts owed by an Obligor where twenty-five percent (25%) or more of all of the Accounts owed by that Obligor are past due more than ninety (90) days from the invoice due date; (j) Accounts where the Obligors are located in New Jersey, Minnesota and/or Indiana, unless the Borrower shall have qualified to do business or shall have filed a business activity report with the appropriate state offices in such jurisdictions; (k) all amounts in excess of twenty-five percent (25%) of all Eligible Accounts which have been assigned to the Borrower by the same Seller; (l) those Accounts where the Lender has notified the Borrower that, in the Lender's sole discretion, the Account or the Obligor is not acceptable to the Lender; and

(m) Accounts for which the services have not yet been rendered to the Obligor or the goods sold have not yet been delivered to the Obligor (commonly referred to as "pre-billed accounts").

1.40. "Eligible Investments": shall mean any one or more of the following types of investments (having original maturities or remaining maturities of no more than thirty (30) days):

(a) direct interest-bearing obligations of, and interest bearing obligations guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States; and direct interest-bearing obligations of, and interest-bearing obligations guaranteed as to timely payment of principal and interest by, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(b) demand or time deposits in, certificates of deposit of, or bankers' acceptances issued by any depository institution or trust company organized under the laws of the United States or any State and subject to supervision and examination by federal or state banking authorities; provided that the short-term unsecured debt obligations of such depository institution or trust company at the time of such investment, or contractual commitment providing for such investment; are rated in the highest short-term rating category by at least one Rating Agency;

(c) securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States or any State whose long-term unsecured debt obligations are rated in the highest rating category by at least one Rating Agency at the time of such investment or contractual commitment providing for such investment;

(d) commercial paper that is payable in United States dollars and is rated in the highest short-term rating category by at least one Rating Agency;

(e) investments in money market funds having a long term rating in the highest rating category by at least one Rating Agency; and

(f) any other investment approved in writing by the Lender.

1.41. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

1.42. "ERISA Affiliate" shall mean with respect to any Person, at any time, each trade or business (whether or not incorporated) that would, at the time, be treated together with such Person as a single employer under Section 4001 of ERISA or Sections 414(b), (c), (m) or (o) of the Code.

1.43. "Euler/ACI" shall mean EULER American Credit Indemnity Company.

1.44. "Event of Default" is defined in Section 8.1.

1.45. "Existing Lender" means Guaranty Business Credit Corporation, as assignee of Capital Business Credit, a division of Capital Factors, Inc., a Florida corporation.

1.46. "Existing Loan Agreement" shall mean the Loan and Security Agreement, dated as of September 27, 1996, between the Borrower and Capital Business Credit, a division of Capital Factors, Inc.

1.47. "Factor Account" shall mean account number 4250013340 maintained at Union Planters, or such other account as the Borrower and the Lender may mutually designate in writing from time to time as the "Factor Account."

1.48. "Final Maturity Date" shall mean the first Business Day that is one year after the date hereof or such other date as may be agreed upon in writing by all of the parties hereto from time to time.

1.49. "Form Purchase and Sale Agreement" shall mean the form of Master Purchase and Sale Agreement attached as Exhibit B hereto.

1.50. "Founding Partners" is defined in the preamble to this Agreement.

1.51. "GAAP" shall mean generally accepted accounting principles in the United States of America as from time to time in effect, including the statements and interpretations of the United States Financial Accounting Standards Board.

1.52. "General Intangibles" shall mean: (a) all general intangibles (as presently or hereafter defined in the UCC); (b) all choses in action, causes of action, corporate or other business books and records, deposit accounts, investments made with funds in deposit accounts (including without limitation Eligible Investments), inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, rights to royalties, blueprints, drawings, confidential information, catalogs, sales literature, video tapes, consulting agreements, employment agreements, customer lists, tax refund claims, tax refund payments, computer programs, insurance policies, deposits with insurers, and all claims under guaranties; (c) all interests in or claims in or under any policy of insurance; (d) all security interests or other security held by any Person; (e) all rights to indemnification; and (f) all other intangible property of every kind and nature.

1.53. "Government Obligor" or "Governmental Obligor" shall mean a Governmental Entity that is obligated to make any payments with respect to Accounts.

1.54. "Governmental Authority" shall mean the United States of America, any State thereof or the District of Columbia, any political subdivision of any of the foregoing, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.55. "Governmental Entity" shall mean the United States of America, any State thereof or the District of Columbia, any political subdivision of any of the foregoing and any department, agency or instrumentality of any of the foregoing.

1.56. "Gross Amount" shall mean, with respect to an Account, the gross amount billed to the applicable Obligor with respect to such Account.

1.57. "Guarantee" shall mean, with respect to the Borrower (or other specified Person):

(a) any guarantee by the Borrower (or such specified Person) of the payment or performance of, or any contingent obligation by the Borrower (or such specified Person) in respect of, any Indebtedness or other obligation of any primary obligor;

(b) any other arrangement whereby credit is extended to a primary obligor on the basis of any promise or undertaking of the Borrower (or such specified Person), including any "comfort letter" or "keep well agreement" written by the Borrower (or such specified Person), to a creditor or prospective creditor of such primary obligor, (i) to pay the Indebtedness of such primary obligor, (ii) to purchase an obligation owed by such primary obligor, (iii) to pay for the purchase or lease of assets or services regardless of the actual delivery thereof or (iv) to maintain the capital, working capital, solvency or general financial condition of such primary obligor;

(c) any liability of the Borrower (or such specified Person), as a general partner of a partnership in respect of Indebtedness or other obligations of such partnership;

(d) any liability of the Borrower (or such specified Person) as a joint venturer of a joint venture in respect of Indebtedness or other obligations of such joint venture;

(e) any liability of the Borrower (or such specified Person) with respect to the tax liability of others as a member of a group (other than a group consisting solely of the Borrower and its Subsidiaries) that is consolidated for tax purposes; and

(f) reimbursement obligations, whether contingent or matured, of the Borrower (or such specified Person) with respect to letters of credit, bankers acceptances, surety bonds, other financial guarantees and Interest Rate Protection Agreements,

whether or not any of the foregoing are reflected on the balance sheet of the Borrower (or such specified Person) or in a footnote thereto, provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee and the amount of Indebtedness resulting from such Guarantee shall be the maximum amount that the guarantor may become obligated to pay in respect of the obligations (whether or not such obligations are outstanding at the time of computation) and, for purposes of covenant

calculations, shall be without duplication of guaranteed Indebtedness that is already included in such calculations.

1.58. "Indebtedness" shall mean all obligations, contingent or otherwise, which in accordance with GAAP are required to be classified upon the face of the balance sheet of the Borrower (or other specified Person) as liabilities, but in any event including (without duplication):

(a) borrowed money;

(b) indebtedness evidenced by notes, debentures or similar instruments;

(c) Capitalized Lease Obligations;

(d) the deferred purchase price of assets or securities, including related noncompetition, consulting and stock repurchase obligations;

(e) mandatory redemption or dividend rights on capital stock (or other equity);

(f) reimbursement obligations, whether contingent or matured, with respect to letters of credit, bankers acceptances, surety bonds, other financial guarantees and Interest Rate Protection Agreements (without duplication of other Indebtedness supported or guaranteed thereby);

(g) liabilities secured by any Lien existing on property owned or acquired by the Borrower (or such specified Person), whether or not the liability secured thereby shall have been assumed;

(h) unfunded pension liabilities;

(i) obligations that are immediately and directly due and payable out of the proceeds of or production from property; and

(j) all Guarantees in respect of Indebtedness of others.

1.59. "Indemnified Amounts" shall mean any and all claims, damages, expenses, losses, liabilities, penalties, judgments, suits, actions, costs, charges, and disbursements, including without limitation fees and other charges of any law firm or other counsel.

1.60. "Indemnified Parties" shall mean the Lender, the partners of the Lender, and any officer, director, employee, agent, law firm or other counsel for any of the Lender or any partner of the Lender.

1.61. "Initial Lending Date" shall mean the date on which the first Loan is made by Lender to the Borrower pursuant to Section 2.1.

1.62. "Insolvency" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

1.63. "Insured Accounts" shall mean Accounts the Obligors of which are covered by a credit insurance policy in form and substance satisfactory to the Lender and issued by a Designated Insurer, provided that an Account shall be considered an Insured Account only to the extent of such coverage.

1.64. "Interest Rate Protection Agreement" shall mean any interest rate swap, interest rate cap, interest rate hedge or other contractual arrangement that converts variable interest rates into fixed interest rates, fixed interest rates into variable interest rates or other similar arrangements.

1.65. "Investment" shall mean, with respect to the Borrower (or other specified Person):

(a) any share of capital stock, partnership or other equity interest, evidence of Indebtedness or other security issued to the Borrower (or other specified Person) by any other Person;

(b) any loan, advance or extension of credit by the Borrower (or other specified Person) to, or contribution to the capital of, any other Person;

(c) any Guarantee by the Borrower (or other specified Person) of the Indebtedness of any other Person;

(d) any acquisition by the Borrower (or other specified Person) of all, or any division or similar operating unit of, the business of any other Person or the assets comprising such business, division or unit; and

(e) any other similar investment.

The investments described in the foregoing clauses (a) through (e) shall be included in the term "Investment" whether they are made or acquired by purchase, exchange, issuance of stock or other securities, merger, reorganization or any other method.

1.66. "Invoice Date" shall mean, with respect to an Account, the date of the first invoice sent to the related Obligor.

1.67. "Judgment Measurement Amount" means the result of (a) the Borrowing Base, less (b) the sum of (i) the outstanding principal amount of the Loans plus (ii) accrued and unpaid interest on the Loans.

1.68. "Legal Requirement" shall mean any present or future requirement imposed upon the Lender or the Borrower by any law, statute, rule, regulation, directive, order, decree, guideline (or

any interpretation thereof by courts or of administrative bodies) of the United States of America, or any state or political subdivision of any of the foregoing, or by any board, governmental or administrative agency, or any political subdivision of any of the foregoing.

1.69. "Lender" shall mean Founding Partners and its successors and assigns.

1.70. "Lien" shall mean, with respect to the Borrower (or any other specified Person):

(a) any lien, encumbrance, mortgage, pledge, charge or security interest of any kind upon any property or assets of the Borrower (or such specified Person), whether now owned or hereafter acquired, or upon the income or profits therefrom;

(b) the acquisition of, or the agreement to acquire, any property or asset upon conditional sale or subject to any other title retention agreement, device or arrangement (including a Capitalized Lease);

(c) the sale, assignment, pledge or transfer for security of any accounts, general intangibles or chattel paper of the Borrower (or such specified Person), with or without recourse;

(d) the transfer of any tangible property or assets for the purpose of subjecting such items to the payment of previously outstanding Indebtedness in priority to payment to the general creditors of the Borrower (or such specified Person);

(e) any lease in the nature of a security interest; and

(f) the filing of or agreement to file or deliver any financing statement under the UCC or comparable law of any jurisdiction.

1.71. "Loan" is defined in Section 2.1.4.

1.72. "Loan Availability" shall mean, as at any date, an amount equal to the result of:

(a) the lesser of (i) the Maximum Amount of Credit, and (ii) the sum of (x) the Borrowing Base after giving effect to any Eligible Accounts to be acquired on such date with the Loans plus (y) the amount on deposit in the Factor Amount; minus

(b) the sum of (i) the then aggregate outstanding principal amount of all Loans plus (ii) the accrued and unpaid interest on the Loans.

1.73. "Lockbox" shall mean a post office box or lockbox that is subject to a Lockbox Agreement.

1.74. "Lockbox Account" shall mean a bank account that is subject to a Lockbox Agreement.

1.75. "Lockbox Agreement" shall mean an agreement between the Borrower and a Lockbox Bank, and such other Person or Persons as may be acceptable to the Lender, as such agreement may be amended, amended and restated or otherwise modified from time to time.

1.76. "Lockbox Bank" shall mean any bank approved in writing by the Lender to maintain a Lockbox and Lockbox Account pursuant to a Lockbox Agreement. As of the date of this Agreement, the only bank approved by the Lender for purposes of the preceding sentence is Union Planters.

1.77. "Material Adverse Effect" shall mean a material adverse effect on: (a) the condition (financial or otherwise), business, performance, operations, properties, profits or prospects of the Borrower; (b) the Purchased Accounts or the legality, validity, transferability or enforceability of the Purchased Accounts; (c) the rights and remedies of the Lender under or in connection with any Program Document; (d) the ability of the Borrower to perform its obligations under any Program Document to which it is a party or enforce its rights under any Program Document to which it is a party; or (e) the overall reliability of the Borrower's reporting and control procedures under any Program Document.

1.78. "Maximum Amount of Credit" shall mean a dollar amount mutually agreed upon in writing by the Borrower and the Lender. Unless and until the Borrower and the Lender otherwise mutually agree in writing upon a different dollar amount pursuant to an agreement substantially in the form of Exhibit C hereto, the Maximum Amount of Credit shall be eight million dollars ($8,000,000).

1.79. "Moody's" shall mean Moody's Investors Service, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

1.80. "Multiemployer Plan" shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which contributions are or have been made during the preceding five (5) years by any Person or any ERISA Affiliate of such Person.

1.81. "Negotiable Collateral" means any present and future letters of credit, advices of credit, notes, drafts, instruments, documents, leases, and chattel paper.

1.82. "Net Face Value", with respect to an Account, shall mean the Gross Amount of such Account less (a) allowances, discounts to customers or any other reduction to the Gross Amount of such Account contemplated by the related Purchase and Sale Agreement, and (b) without limiting the foregoing, Dilutions and retainage.

1.83. "Obligor" shall mean the Person or Persons obligated to make payments on an Account.

1.84. "Obligor Notice" shall mean a notice to an Obligor directing such Obligor to make payments on Accounts solely to a Lockbox or a Lockbox Account.

1.85. "Officer's Certificate" shall mean a certificate signed by an officer of the Borrower.

1.86. "Operating Account" shall mean account number 4250012670 in the name of the Borrower and held by Union Planters, or such other account as the Borrower and the Lender may mutually designate in writing from time to time as the "Operating Account".

1.87. "Outstanding Amount Paid to Seller", with respect to a Purchased Account, shall mean the greater of (i) the Amount Paid to Seller for such Purchased Account minus Collections with respect to such Purchased Account and (ii) zero, and "Outstanding Amounts Paid to Sellers" means the sum of the Outstanding Amount Paid to Seller for each Purchased Account.

1.88. "Overdue Reimbursement Rate" shall mean, at any date, a per annum rate equal to the sum of (a) two percent (2%) plus (b) the annualized Applicable Rate then in effect.

1.89. "PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor entity.

1.90. "Permitted Subordinated Debt" means debt for borrowed money that is subordinated to the Credit Obligations pursuant to an agreement that is in form and substance satisfactory to the Lender.

1.91. "Person" shall mean any present or future natural person or any corporation, association, partnership, joint venture, limited liability company, joint stock company or other company, business trust, trust, organization, business or government or any governmental agency or political subdivision thereof.

1.92. "Plan" shall mean, with respect to any Person, any employee pension benefit plan that (a) is maintained by such Person or any ERISA Affiliate of such Person, or to which contributions by any such Person are required to be made or under which such Person has or could have any liability, (b) is subject to the provisions of Title IV of ERISA and (c) is not a Multiemployer Plan.

1.93. "Plan Event" shall mean, with respect to any Person, (a) the provision of a notice of intent to terminate any Plan under Section 4041 of ERISA other than in a "standard termination", (b) the receipt of any notice by any Plan to the effect that the PBGC intends to apply for the appointment of a trustee to administer any Plan, (c) the termination of any Plan which results in any material liability of such Person, (d) the withdrawal of such Person or any ERISA Affiliate of such Person from any Plan described in Section 4063 of ERISA which could be reasonably expected to result in a material liability of such Person, (e) the complete or partial withdrawal of such Person or any ERISA Affiliate of such Person from any Multiemployer Plan which can be reasonably

anticipated to result in a material liability of such Person, (f) a Reportable Event or an event described in Section 4068(f) of ERISA which may result in a material liability of such Person, and (g) any other event or condition which under ERISA or the Code could be reasonably expected to constitute grounds for the imposition of a lien on the assets of such Person in respect of any Plan or Multiemployer Plan.

1.94. "Proceeding" shall mean any lawsuit, investigation, action, counterclaim, litigation or other judicial or administrative proceeding.

1.95. "Proceeds" shall mean whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Collateral, including "proceeds" as defined in the UCC, any and all proceeds of any insurance, indemnity, warranty or guaranty payable under or in connection with any of the Collateral, any and all payments (in any form whatsoever) made or due and payable from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting under color of Governmental Authority), any and all other amounts from time to time paid or payable under or in connection with any of the Collateral or for or on account of any damage or injury to or conversion of any Collateral by any Person, any and all other tangible or intangible property received upon the sale or disposition of Collateral, and all proceeds of proceeds.

1.96. "Program Documents" shall mean this Agreement, each Purchase and Sale Agreement, each Lockbox Agreement, the Union Planters Master Agreement, the Credit Insurance Policy, the subordination agreements delivered pursuant to Section 5.1, the other documents, agreements, letters and other items delivered pursuant to Section 5.1 or Section 5.2, any guaranty made by any Person in favor of the Lender with respect to the obligations of the Borrower, and any brokerage agreement, other agreement, letter, certificate, promissory note, UCC financing statement, report, financial statement, instrument, insurance policy, surety bond, application for an insurance policy or surety bond, or other document delivered pursuant to or in connection with any of the foregoing.

1.97. "Property" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

1.98. "Purchase and Sale Agreement" shall mean a purchase and sale agreement between the Borrower and a Seller, as such Purchase and Sale Agreement may be amended, amended and restated or otherwise modified from time to time. Any reference to the "related" or the "applicable" Purchase and Sale Agreement shall be a reference to the Purchase and Sale Agreement under which a particular Account was purchased by the Borrower.

1.99. "Purchase Date" shall mean, with respect to any Account, the related Weekly Closing Date.

1.100. "Purchased Accounts" shall mean Accounts which are purchased by the Borrower from a Seller pursuant to a Purchase and Sale Agreement.

1.101. "Rating Agency" shall mean Moody's, S&P or A.M. Best.

1.102. "Receivables" shall mean all Accounts.

1.103. "Regulations" shall mean the regulations promulgated under the Code.

1.104. "Related Property" shall mean, with respect to any Account, all of the Borrower's right, title and interest in, to and under (a) the related Purchase and Sale Agreement, including, without limitation, all amounts due and to become due to the Borrower under such Purchase and Sale Agreement, and all rights, remedies, powers, privileges and claims of the Borrower under such Purchase and Sale Agreement (whether arising pursuant to the terms of such Purchase and Sale Agreement or otherwise available to the Borrower at law or in equity), and (b) all related records and all rights (but not obligations) relating to such Accounts.

1.105. "Reorganization" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is in reorganization within the meaning of Section 4241 of ERISA.

1.106. "Reportable Event" shall mean any of the events set forth in Section 4043(c) of ERISA.

1.107. "Requirements of Law" for any Person shall mean any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, whether Federal, state or local, in each case applicable to or binding upon such Person or to which such Person is subject.

1.108. "Revocation Order" shall mean a request, direction or order by a Seller to a Lockbox Bank which is inconsistent with the terms of the applicable Lockbox Agreement.

1.109. "Seller" shall mean a Person that transfers or has transferred Accounts to the Borrower pursuant to a Purchase and Sale Agreement.

1.110. "Senior Officer" shall mean the chief executive officer, chairman or president of the Borrower, all of whose incumbency and signatures have been certified to the Lender by the secretary or other appropriate attesting officer of the Borrower.

1.111. "Solvent" shall mean, with respect to any Person, that (i) fair value of the property of the Person is, on the date of determination, greater than the total amount of liabilities (including contingent liabilities) of the Person as of that date, (ii) as of that date, the Person is able to pay all liabilities of the Person as those liabilities mature, and (iii) the Person does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage. In computing the amount of contingent liabilities at any time, it is intended that

they be computed at the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can reasonably be expected to become an actual or matured liability.

1.112. "Standard & Poor's" or "S&P" shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto which is a nationally recognized statistical ratings organization.

1.113. "Subsidiary" shall mean any Person of which the Borrower (or other specified Person) shall at the time, directly or indirectly through one or more of its Subsidiaries, (a) own at least fifty percent (50%) of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally, (b) hold at least fifty percent (50%) of the partnership, joint venture or similar interests or (c) be a managing general partner or managing joint venturer.

1.114. "Sun Capital Entity" shall mean the Borrower and any Affiliate of the Borrower.

1.115. "Tax" shall mean any present or future tax, levy, duty, impost, deduction, withholding or other charges of whatever nature at any time required by any Legal Requirement (a) to be paid by the Lender or (b) to be withheld or deducted from any payment otherwise required hereby to be made to the Lender, in each case on or with respect to any obligations hereunder, any Loan, or any payment in respect of the Credit Obligations not included in the foregoing; provided, however, that the term "Tax" shall not include taxes imposed upon or measured by the net income of the Lender (other than withholding) or franchise taxes.

1.116. "Termination Date" shall mean the date upon which the commitment of the Lender to advance funds to the Borrower hereunder has been terminated, and all fees, expenses and Credit Obligations owing by the Borrower to the Lender hereunder or under any other Program Document have been indefeasibly paid in full.

1.117. "Tier 1 Accounts" means Eligible Accounts that are (a) Insured Accounts, or (b) the Obligors of which have long term, unsecured debt that is rated at least "AA-" by S&P, or (c) the Obligor of which is a Government Obligor.

1.118. "Tier 2 Accounts" means Eligible Accounts that are not Tier 1 Accounts.

1.119. "UCC" shall mean the Uniform Commercial Code, as amended from time to time, as now or hereafter in effect in any specified or applicable jurisdiction.

1.120. "Union Planters" shall mean Union Planters Bank, N.A., a national banking association.

1.121. "Union Planters Master Agreement" shall mean the Addendum among Union Planters, the Borrower and the Lender, as the same may be amended, amended and restated or otherwise modified from time to time.

1.122. "United States Funds" shall mean such coin or currency of the United States of America as at the time shall be legal tender therein for the payment of public and private debts.

1.123. "Weekly Closing Date" shall mean the day of the week on which the Borrower purchases accounts from a Seller.

1.124. "Weekly Report" shall mean a report prepared by the Borrower in form and substance reasonably satisfactory to the Lender.

1.125. "Written" or "in writing" shall mean any form of written communication, including by means of facsimile transmission.

2. Credit; Application of Proceeds.

2.1. The Credit.

2.1.1. Loans. Subject to all the terms and conditions of this Agreement, including the conditions set forth in Section 5.1 and Section 5.2, and so long as no Default exists, either immediately before or after giving effect to such Loan, from time to time on and after the Effective Date and prior to the earlier of (a) the termination of this Agreement in accordance with the terms hereof and (b) the Availability Termination Date, the Lender shall make Loans to the Borrower, provided that the aggregate outstanding principal amount of the Loans shall not exceed the Maximum Amount of Credit. Loans shall be made in accordance with the procedures set forth in Section 2.1.3.

2.1.2. Borrowing Requests. The Borrower may from time to time request a Loan under Section 2.1.1 by providing to the Lender a notice in writing. Such notice must be received by the Lender not later than noon (Chicago time) three Business Days prior to the requested Closing Date for such Loan (or, in the case of the first Loan under this Agreement, at least one Business Day prior to the Initial Lending Date). The notice must specify (a) the amount of the requested Loan (which shall be not less than one hundred thousand dollars ($100,000)) and (b) the requested Closing Date therefor (which shall be a Business Day).

2.1.3. Making of Loans. Subject to Section 2.1.1 and subject to the other terms and conditions of this Agreement, on each Closing Date requested by the Borrower pursuant to Section 2.1.2, the Lender shall deposit the amount of the requested Loan in the Factor Account. The Borrower may withdraw funds (or cause funds to be withdrawn) from the Factor Account without the signature of the Lender; provided, that funds shall be withdrawn from the Factor Account only (a) to purchase Accounts directly from a Seller pursuant to a Purchase and Sale Agreement or to (b) to make payments directly to the Lender for application in accordance with Section 4.5.2; provided, further, that no funds shall be withdrawn from the Factor Account to purchase Accounts from a Seller if any Default exists on the date of such withdrawal or would exist after giving effect to such withdrawal; provided, further, however, that upon the occurrence of an Event of Default, all amounts on

deposit in the Factor Account shall be paid to the Lender for application in accordance with Section 4.5.2.

2.1.4. Loans; No Note. The aggregate principal amount of the extensions of credit under this Agreement outstanding from time to time may be referred to herein as the "Loan" or the "Loans". The Borrower's obligations to repay the Loans to the Lender shall not be evidenced by a promissory note of the Borrower unless the Lender consents in writing thereto.

2.2. Application of Proceeds. The Borrower shall apply the proceeds of the Loans to pay the purchase price of Accounts to a Seller pursuant to a Purchase and Sale Agreement. The Borrower shall not borrow any funds from the Lender unless such funds are applied pursuant to the immediately preceding sentence or unless such funds are used to make payments to the Lender in accordance with Section 2.1.3; provided that the Borrower shall use proceeds of the first Loan under this Agreement to repay amounts owing by the Borrower under the Existing Loan Agreement (as amended as contemplated by Section 7.33 of this Agreement).

3. Interest.

3.1. Interest. The Loans and other Credit Obligations shall accrue and bear interest at the Applicable Rate (or the Overdue Reimbursement Rate, if applicable). Prior to any accelerated maturity of the Loans, the Borrower shall pay accrued and unpaid interest on the Loans to the Lender on the first day of each calendar month and on the Final Maturity Date. Upon any accelerated maturity of any of the Credit Obligations pursuant to Section 8.2.3, the Borrower shall pay the Lender immediately all accrued and unpaid interest on the Loans. Upon the occurrence and during the continuance of an Event of Default, the Borrower shall pay interest on the Loans and any other amounts payable by the Borrower hereunder (including overdue interest, to the extent permitted by law) at the Overdue Reimbursement Rate for the period commencing on the date of such Event of Default until such Event of Default is cured or waived, as acknowledged in writing by the Lender.

3.2. Computations of Interest. For purposes of this Agreement, interest (and any other amount expressed as interest) shall be computed for actual days elapsed on the basis of a year of twelve (12) months having thirty (30) days each, provided that this shall not be construed to limit the per month interest calculation contemplated by the definition of Applicable Rate. If any payment required by this Agreement becomes due on any day that is not a Business Day, such payment shall be made on the next succeeding Business Day. If the due date for any payment of interest or principal is extended as a result of the immediately preceding sentence, interest shall be payable for the time during which payment is extended at the Applicable Rate (or the Overdue Reimbursement Rate, if applicable).

3.3. Taxes, Etc.

3.3.1. Taxes. All payments of the Credit Obligations shall be made without set-off or counterclaim and free and clear of any deductions, including deductions for Taxes, unless the Borrower is required by law to make such deductions. If after the date hereof (a) the Lender shall be subject to any Tax with respect to any payment of the Credit Obligations or its obligations hereunder or (b) the Borrower shall be required to withhold or deduct any Tax on any payment on the Credit Obligations, then the Lender may claim compensation from the Borrower under Section 3.3.2. Whenever Taxes must be withheld or deducted by the Borrower with respect to any payments of the Credit Obligations, the Borrower shall promptly pay such Taxes and shall promptly furnish to the Lender the official receipts (to the extent that the relevant governmental authority delivers such receipts) evidencing payment of any such Taxes so withheld or deducted. If the Borrower fails to pay any such Taxes when due or fails to remit to the Lender the required receipts evidencing payment of any such Taxes so withheld or deducted, the Borrower shall indemnify the Lender for any incremental Taxes and interest or penalties that may become payable by the Lender as a result of any such failure.

3.3.2. Compensation Claims. Within ten (10) days after the receipt by the Borrower of a certificate from the Lender setting forth why it is claiming compensation under this Section 3.3 and computations (in reasonable detail) of the amount thereof, the Borrower shall pay to the Lender such additional amounts as the Lender sets forth in such certificate as sufficient fully to compensate it on account of the foregoing provisions of this Section 3.3, together with interest on such amount from the tenth (10th) day after receipt of such certificate until payment in full thereof at the Overdue Reimbursement Rate. The determination by the Lender of the amount to be paid to it and the basis for computation thereof hereunder shall, in the absence of manifest error, be conclusive. In determining such amount, the Lender may use any reasonable averaging and attribution methods.

4. Payment.

4.1. Monthly Interest Payments. The Borrower shall cause the bank holding the Operating Account to remit by wire transfer on the first day of each calendar month, from the Operating Account to a bank account designated by the Lender from time to time, all accrued and unpaid interest on the Loans as of such day.

4.2. Payment Upon Maturity. On the Final Maturity Date, the Borrower shall pay to the Lender an amount equal to the outstanding principal amount of the Loans, together with all accrued and unpaid interest and fees with respect thereto. On the accelerated maturity of the Loans in accordance with Section 8.2.3, the Borrower shall pay to the Lender all Credit Obligations then outstanding.

4.3. Excess Credit Exposure. If at any time a Borrowing Base Deficiency exists for a period of two Business Days, the Borrower shall immediately, without demand or notice, pay the amount of such Borrowing Base Deficiency to the Lender.

4.4. Voluntary Prepayments. The Borrower may from time to time prepay all or any portion of the Loans (in a minimum amount of fifty thousand dollars ($50,000) and an integral multiple of ten thousand dollars ($10,000), or such lesser amount as is then outstanding, without premium or penalty of any type. The Borrower shall give the Lender at least one Business Day's prior written notice of its intention to prepay, specifying the date of payment, the total amount and portion of the Loans to be paid on such date and the amount of interest to be paid with such prepayment.

4.5. Application of Payments, etc.

4.5.1. [Reserved.]

4.5.2. Order of Application. All payments to the Lender pursuant to this Agreement shall be applied, without duplication, in the following order:

(i) first, to the Lender for application to overdue interest on the Credit Obligations;

(ii) second, to the Lender for application to accrued and unpaid interest on the Credit Obligations;

(iii) third, to the Lender for application to outstanding principal of the Loans;

(iv) fourth, to the Lender for (x) any and all sums advanced by the Lender in order to preserve the Collateral or the Lender's security interest in the Collateral (if the Borrower shall not have taken such actions as the Lender shall have requested with respect to preserving the Collateral or the Lender's security interest in the Collateral within two Business Days after such request by the Lender), (y) all expenses of (A) taking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral or (B) any exercise by the Lender of its rights under any of the Program Documents, and (z) any attorney fees, other attorney charges and court costs; and

(v) fifth, to the Lender for application to any other Credit Obligations (it being agreed and understood that the Lender may hold payments pursuant to this Section 4.5.2 for application to future Credit Obligations).

4.5.3. Payment with Accrued Interest, etc. Upon all prepayments of the Loans, the Borrower shall pay to the Lender the principal amount to be prepaid, together with unpaid interest in respect thereof accrued to the date of prepayment. Notice of prepayment having been given in accordance with Section 4.4, the amount specified to be prepaid shall become due and payable on the date specified for prepayment.

4.6. Payments in United States Funds. All payments to the Lender (or to an account for the benefit of the Lender) under or in connection with this Agreement shall be made by wire transfer in immediately available United States Funds to an account designated from time to time by the Lender.

4.7. Reborrowing. Subject to Section 2.1.1 and subject to the other terms and conditions of this Agreement, the Borrower may borrow additional Loans after repaying outstanding Loans.

5. Conditions to Loans.

5.1. Conditions of Effective Date. The occurrence of the Effective Date and the Lender's willingness to make the initial Loan pursuant to Section 2 on the Effective Date shall be subject to the receipt by the Lender of the following, each in form and substance (including the date thereof) satisfactory to the Lender:

(a) Counterparts of this Agreement, signed by the Borrower.

(b) Copies, certified by the Secretary of the Borrower, of (i) resolutions of its board of directors, (ii) its certificate of incorporation, certified by the Secretary of State of Florida, and (iii) its by-laws.

(c) A certificate of the Secretary or Assistant Secretary (or other appropriate office) of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign the Program Documents to which it is a party. Until the Lender receives a subsequent incumbency certificate from the Borrower, in form and substance satisfactory to the Lender, the Lender shall be entitled to rely on the last such certificate delivered to it by the Borrower.

(d) Acknowledgment copies, or other evidence of filing acceptable to the Lender, of proper UCC financing statements, duly filed against the Borrower in Florida and any other jurisdictions that the Lender may deem necessary or desirable in order to perfect the interests of the Lender contemplated by this Agreement and, if requested by the Lender, a separate written authorization from the Borrower with respect to filing of such UCC financing statements.

(e) Completed UCC search reports with respect to the Borrower and similar search reports in such jurisdictions as the Lender may request, in each case showing no liens on any of the Collateral, and UCC termination statements that terminate any UCC financing statements filed against the Borrower in favor of third parties.

(f) Favorable opinions of Ullman, Ullman & Vazquez, P.A., counsel for the Borrower.

(g) Evidence of payment by the Borrower of all accrued and unpaid fees, costs and expenses to the extent then due and payable, together with fees and other charges of Mayer, Brown & Platt, counsel to the Lender, arising prior to or on such date, plus such additional amounts of fees and charges of counsel to the Lender as shall constitute such counsel's estimate of fees and charges incurred or to be incurred through the closing proceedings (provided that such estimate shall not thereafter preclude final settling of accounts with respect thereto). The Lender shall have the right to "net" such fees, costs, expenses and amounts from the amount payable in respect of the first Loan under this Agreement.

(h) A good standing certificate issued by the Secretary of State of Florida with respect to the Borrower.

(i) A payoff letter signed by Existing Lender and the Borrower relating to the Existing Loan Agreement, as amended, UCC termination statement(s) relating to the Existing Loan Agreement, as amended, and a letter from the Existing Lender to Union Planters to the effect that the Existing Lender is terminating its interest in the post office box in which collections of the Purchased Accounts are deposited.

(j) A copy of the Credit Insurance Policy certified by an officer of the Borrower, and related endorsements in favor of the Lender.

(k) The agreements giving rise to the subordinated debt referred to on Schedule 7.32, and subordination agreements relating thereto in favor of the Lender.

(l) (i) Evidence of (x) repayment of the debt owed by the Borrower to Sun Capital Healthcare, Inc., (y) satisfaction, return and cancellation of the related secured promissory notes, and (ii) the filing of a related UCC termination statement and evidence that Sun Capital Healthcare, Inc. has authorized the filing of such UCC termination statement.

(m) Such other approvals, opinions, certificates, reports and documents as the Lender may request, including affidavits relating to the signature of this Agreement by the Borrower and the Lender outside of the State of Florida.

5.2. Conditions to Each Loan. It shall be a condition precedent to the making of each Loan (including without limitation the first Loan) by this Lender pursuant to this Agreement that all of the conditions set forth in this Section 5.2 shall have been satisfied on or before the Closing Date for such Loan:

5.2.1. General; Officer's Certificate.

(a) The Availability Termination Date shall not have occurred;

(b) the representations and warranties contained in Section 7 shall be true and correct on and as of such Closing Date (except as to any representation or warranty which refers only to a specific earlier date which representation and warranty shall be true and correct as of such earlier date);

(c) no Default shall exist on such Closing Date prior to or immediately after giving effect to the requested Loan;

(d) no Material Adverse Effect shall have occurred since the date of this Agreement;

(e) the funds received from such Loan shall be applied only for the purposes contemplated by Section 2.2;

(f) after giving effect to such Loan, no Borrowing Base Deficiency shall exist; and

(g) the Lender shall have received from the Borrower in connection with the requested Loan an Officer's Certificate to these effects (substantially in the form of Exhibit D hereto) and showing the amount of the Borrowing Base, signed by a Senior Officer.

5.2.2. Legality, Etc. The making of the requested Loan shall not (a) subject the Lender to any penalty or special tax or (b) be prohibited by any Legal Requirement.

5.2.3. Perfection of Security. The Borrower shall have duly authorized, executed, acknowledged, delivered, filed, registered and recorded such security agreements, notices, financing statements and other instruments as the Lender may have requested in order to perfect the Liens of the Lender in the Collateral. The Lender shall have received a copy of any search reports and legal opinions (in form and substance satisfactory to the Lender) with respect to security interests and other matters requested by the Lender.

5.2.4. Purchase and Sale Agreements. Other than as consented to by the Lender in writing:

(a) The Lender shall have received a copy of each applicable Purchase and Sale Agreement, duly executed by each of the parties thereto, pursuant to which the Borrower shall purchase Accounts with the proceeds of the requested Loan, certified as true, correct and complete by a Senior Officer. The provisions of each Purchase and Sale Agreement shall be in full force and effect and shall not have been amended, modified, waived or terminated.

(b) All of the representations and warranties of the Seller set forth in such Purchase and Sale Agreement shall be true, complete and correct in all material respects on

and as of such Closing Date with the same force and effect as though made on and as of such date.

(c) All of the conditions to the obligations of the Borrower and the Seller set forth in such Purchase and Sale Agreement shall have been satisfied.

(d) Such Purchase and Sale Agreement and the transactions contemplated thereby shall have been authorized by all necessary corporate, partnership or other proceedings by the parties thereto. Any consent, authorization, order or approval of any governmental or administrative agency or any other Person required in connection with the transactions contemplated by such Purchase and Sale Agreement shall have been obtained and shall be in full force and effect.

(e) The Borrower shall have followed its usual and customary guidelines in evaluating the Seller and in determining whether to enter into a Purchase and Sale Agreement with such Seller.

5.2.5. Weekly Report. The Lender shall have received a copy of the most recent Weekly Report required to be delivered pursuant to Section 6.5(e).

5.2.6. Lockbox Agreements. The Lender shall have received a copy of the applicable Lockbox Agreements, duly executed by each of the parties thereto. The provisions of each Lockbox Agreement shall be in full force and effect and shall not have been amended, modified, waived or terminated without the prior written consent of the Lender.

5.2.7. Factor Account. The Lender shall have received evidence satisfactory to it with respect to the existence of the Factor Account.

5.2.8. General. The Lender shall have received such information, approvals, opinions, resolutions, certificates, reports, and documents as reasonably requested by the Lender and the Borrower shall have satisfied such other conditions as the Lender may reasonably impose.

5.2.9. Effective Date. The Effective Date has occurred in accordance with the terms of this Agreement.

5.2.10. Cross Default, Etc.

(a) No Sun Capital Entity shall have failed to make any payment when due (after giving effect to any applicable grace periods) in respect of any Indebtedness having an aggregate amount of principal (whether or not due) and accrued interest, if applicable, exceeding one hundred thousand dollars ($100,000).

(b) No Sun Capital Entity shall have failed to perform or observe the terms of any agreement or instrument relating to any Indebtedness having an aggregate amount of principal (whether or not due) and accrued interest, if applicable, exceeding one hundred thousand dollars ($100,000).

(c) No Indebtedness of any Sun Capital Entity shall have been accelerated or shall have become due or payable prior to its stated maturity (except with respect to voluntary prepayments thereof) for any reason whatsoever.

(d) No Lien on any property of any Sun Capital Entity securing any Indebtedness shall have been enforced by foreclosure or similar action.

(e) No holder of any such Indebtedness shall have exercised any right of rescission with respect to the issuance thereof or any put or repurchase rights against any Sun Capital Entity with respect to such Indebtedness.

(f) No holder of any such Indebtedness shall have terminated any agreement or instrument in respect of such Indebtedness other than as a result of the occurrence of the scheduled termination date thereof.

5.2.11. Agreed-Upon Procedures Report. Not later than the date specified in Section 6.33, the Lender and the accountants referred to in Section 6.33 shall have mutually agreed as to the "agreed-upon procedures" to be applied pursuant to Section 6.33.

5.2.12. Credit Insurance Policy. The Credit Insurance Policy shall not have been amended, modified, waived or terminated without the prior written consent of the Lender. The Lender shall have received such loss payee and additional insured endorsements with respect to the Credit Insurance Policy as to the Lender may request.

In addition, it shall be a condition precedent to the making of any Loan on or after February 1, 2002 that the Lender shall have received (a) the Union Planters Master Agreement, in form and substance satisfactory to the Lender, signed by Union Planters and the Borrower, (b) the agreements (the "Underlying Agreements") between Union Planters and the Borrower referred to in the Union Planters Master Agreement, which Underlying Agreements shall have been signed by Union Planters and the Borrower, and (c) a favorable opinion of Ullman, Ullman & Vazquez, P.A., counsel for the Borrower, with respect to the Union Planters Master Agreement, which opinion shall be substantially in the form of the opinion delivered pursuant to Section 5.1.

6. General Covenants. The Borrower covenants that, until all of the Credit Obligations shall have been paid in full and until this Agreement and all other Program Documents shall have been irrevocably terminated, the Borrower shall comply with the following provisions:

6.1. Compliance with Laws, Etc. The Borrower shall: (i) duly satisfy all of its obligations in connection with the Accounts and the Related Property, (ii) maintain in effect all qualifications

required under Requirements of Law in order to properly purchase and service the Accounts and other Related Property under the Purchase and Sale Agreements and (iii) comply with all Requirements of Law applicable to it in each case to the extent that failure to so maintain or comply, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

6.2. Preservation of Existence. The Borrower (i) shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and (ii) shall 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 could, if not remedied, reasonably be expected to have a Material Adverse Effect.

6.3. Audits. During normal business hours and with at least three Business Days' notice furnished by the Lender to the Borrower (provided that if a Default shall have occurred, only one Business Day's notice need be so furnished), the Borrower shall permit the Lender, or its agents or representatives, (i) to examine and make copies of and abstracts from all books, records and documents (including without limitation computer tapes and disks, provided that if copying of a software program used by the Borrower is prohibited by an enforceable agreement between the Borrower and the third party licensor of such software program (which licensor shall not be an Affiliate of the Borrower), then the Borrower shall print out all information contained in such software program instead of copying it)) in the possession or under the control of the Borrower relating to the Accounts and any other Property and (ii) to visit the offices and properties of the Borrower for the purpose of examining such materials and to discuss matters relating to the Accounts and any other Property or the Borrower's performance hereunder or under any other Program Document with any of the officers or employees of the Borrower having knowledge thereof. Any such examination, copying, printing or visit made pursuant to this Section 6.3 shall be at the cost and expense of the Borrower.

6.4. Continuous Perfection. The Borrower shall not change its name, identity, structure or jurisdiction of incorporation in any manner unless the Borrower shall have given the Lender at least ninety (90) days' prior written notice thereof and shall have taken all action sixty (60) days prior to making such change as is necessary or advisable in the judgment of the Lender to cause the security interest of the Lender in the Collateral to continue to be a first priority perfected security interest. The Borrower shall not change its principal place of business or its chief executive office or change the location of its principal records concerning the Collateral from the locations specified in Section 7.10 unless it has given the Lender at least sixty (60) days' prior written notice of its intention to do so and has taken such action as is necessary or advisable in the judgment of the Lender to cause the security interest of the Lender in the Collateral to continue to be a first priority perfected security interest. The Borrower shall at all times maintain its principal place of business and its chief executive office and any other office at which it maintains records relating to the Collateral within the United States of America.

6.5. Reporting and Certain Other Requirements. Unless the Lender consents in writing, the Borrower shall furnish to the Lender:

(a) Defaults: Except as otherwise provided herein, within two Business Days after any officer of the Borrower has knowledge of the occurrence of any Event of Default or other Default, a written statement describing the Event of Default or other Default and the action that the Borrower proposes to take with respect thereto, in each case in reasonable detail.

(b) Material Adverse Effect. Within two Business Days after any officer of the Borrower has knowledge thereof, written notice that describes in reasonable detail any Lien against any Collateral or any other event or occurrence that, individually or in the aggregate for all such Liens, events or occurrences, has had or could reasonably be expected to have a Material Adverse Effect. Without limiting the foregoing, the Borrower shall notify the Lender promptly of all disputes and claims in connection with any material portion of the Accounts.

(c) Proceedings. Within five Business Days after any officer of the Borrower has knowledge thereof, written notice of (i) any Proceeding of the type described in Section 7.7 not previously disclosed to the Lender and (ii) any adverse development that has occurred with respect to any such previously disclosed Proceeding.

(d) Financial Statements.

(i) As soon as available and in any event within ninety (90) days after the end of each fiscal year of the Borrower, audited statements of income, retained earnings and cash flow of the Borrower for such fiscal year and the related audited balance sheet as of the end of such fiscal year (collectively, the "Audited Financial Statements"), setting forth in comparative form the corresponding figures for the preceding fiscal year, and accompanied by (x) a report of the Borrower's independent certified public accountants (which shall be a "Big 5" firm and which may also render other services to the Borrower or any Affiliate thereof), which report shall state that such Audited Financial Statements fairly present the financial condition and results of operations of the Borrower in accordance with GAAP.

(ii) As soon as available and in any event within forty-five (45) days after the end of each quarterly fiscal period of each fiscal year of the Borrower, statements of income, retained earnings and cash flow of the Borrower for such period and for the period from the beginning of the current fiscal year to the end of such period, and the related balance sheet as of the end of such period, setting forth in each case in comparative form the corresponding figures for the corresponding period in the preceding fiscal year, and accompanied by a certificate of the chief financial officer of the Borrower, which certificate shall state that such financial statements fairly present the financial condition and results of operations of the Borrower in

accordance with GAAP (subject to normal year-end adjustments and absence of footnote disclosures).

(iii) As soon as available and in any event within thirty (30) days after the end of each calendar month, statements of income, retained earnings and cash flow of the Borrower for such calendar month and the related balance sheet as of the end of such calendar month, setting forth in each case in comparative form the corresponding figures for the corresponding calendar month in the preceding fiscal year, and accompanied by a certificate of the chief financial officer of the Borrower, which certificate shall state that such financial statements fairly present the financial condition and results of operations of the Borrower in accordance with GAAP (subject to normal year-end adjustments).

(iv) Promptly after the receipt thereof, copies of all "management letters" received by the Borrower from its independent accountants.

(e) Weekly Reports. On a weekly basis, not later than the third Business Day of each week, a Weekly Report with respect to the immediately preceding week.

(f) Cross-Defaults, Etc. Promptly after any failure or occurrence of the type contemplated by Section 5.2.10, notice as to such failure or occurrence.

(g) Legal Opinions. During the months of July and December of each year, commencing in 2002, an opinion of counsel to the Borrower, in form and substance satisfactory to the Lender and from counsel satisfactory to the Lender, to the effect that as of June 30 of such year (with respect to the opinion required to be delivered in July) and as of November 30 of such year (with respect to the opinion required to be delivered in December):

(i) all UCC filings that are necessary to perfect the security interest granted to the Lender in the Collateral pursuant to this Agreement have been filed in the appropriate public filing offices in the appropriate jurisdictions, and no additional UCC filings are necessary within the next twelve months (or if any such filings are necessary, identifying such filings) to maintain the perfection of such security interest; and

(ii) all UCC filings that are necessary to perfect the interests of the Borrower in the Purchased Accounts have been filed in the appropriate public filing offices in the appropriate jurisdictions, and no additional UCC filings are necessary within the next twelve months (or if any such filings are necessary, identifying such filings) to maintain the perfection of such interests.

(h) Other. Promptly, from time to time, any other information, notices or documents with respect to the Receivables, the Related Property, any other Collateral or any

other Property or any Program Document, or any other information to which the Borrower reasonably has access with respect to the condition or operations, financial or otherwise, of the Borrower or any Seller, in each case as the Lender may from time to time request.

6.6. Assessments. The Borrower shall promptly pay and discharge all taxes, assessments, levies and other governmental charges imposed on it and with respect to its Properties.

6.7. Further Action; Non-Interference. The Borrower shall, from time to time, execute and deliver to the Lender any instruments, financing or continuation statements or other writings necessary or desirable in the judgment of the Lender (i) to maintain the perfection and priority of the Lender's interest in the Collateral under the UCC or other applicable Requirements of Law or (ii) to further the purposes or provisions of this Agreement. Without limiting the foregoing, the Borrower shall execute and deliver to the Lender any and all forms (including without limitation Forms 8821 or 2848) that the Lender may request from time to time in order to enable the Lender to obtain and receive tax information with respect to the Borrower from the U.S. Department of the Treasury, U.S. Internal Revenue Service or any other federal, state or local taxing authority, or in order to obtain and receive tax refund checks or other payments. The Borrower shall not interfere with the Lender's exercise of its rights or remedies under the Lockbox Agreements, under any other Program Document, or under applicable law.

6.8. Additional Indebtedness. The Borrower shall not create, incur, assume or suffer to exist any Indebtedness (including any Guarantee) or expenses (whether or not accounted for as a liability) or cause to be issued for its account any letters of credit or bankers' acceptances, except (i) Credit Obligations and Permitted Subordinated Debt; (ii) indebtedness or other expenses to its professional advisers and its counsel; and (iii) accounts payable in the ordinary course of business.

6.9. No Transfer. The Borrower agrees that, except as contemplated by this Agreement and any Purchase and Sale Agreement, it (i) shall not sell, assign, pledge, convey or otherwise transfer any of its Property or interest therein, (ii) shall not grant, create, incur, or suffer to exist any Lien on any of its Property or any interest therein, (iii) shall notify the Lender upon becoming aware of any such Lien, and (iv) shall defend the interest of the Lender in the Collateral against all claims of other Persons claiming through the Borrower.

6.10. No Other Activities. The Borrower shall not engage in any activity other than those contemplated by this Agreement. The Borrower shall not make any Capital Expenditures, except for expenditures on office equipment and office supplies in the ordinary course of business. The Borrower shall not make any Investments other than (x) the purchase of Accounts pursuant to Purchase and Sale Agreements, and (y) Eligible Investments. Neither the Borrower nor any Person on behalf of the Borrower shall maintain any lockboxes, deposit accounts or other similar accounts, except the Lockboxes, the Lockbox Accounts, the Operating Account, the Factor Account and bank accounts maintained for the payment of reasonable expenses incurred in the ordinary course of business and the deposit of amounts which are not otherwise required to be paid to the Lender in accordance with this Agreement.

6.11. Enforcement. The Borrower shall take all action necessary and appropriate to enforce its rights and claims under each Purchase and Sale Agreement and each Lockbox Agreement. If, upon notice from the Lender, the Borrower does not take such necessary and appropriate action, then the Lender may, but shall not be obligated to, take such action, provided that the Lender's taking or refraining from taking such action shall not constitute a waiver of the Borrower's failure to take such action.

6.12. Separateness. The Borrower shall not permit its assets to be commingled with those of any other Sun Capital Entity, the Borrower shall maintain separate corporate records and books of account from those of each other Sun Capital Entity, and the Borrower shall conduct its business from an office separate from that of each other Sun Capital Entity with a telephone number and stationery which are separate from the telephone number and stationery of each other Sun Capital Entity (it being understood that, subject to the foregoing, the office of the Borrower may be at the same location as the office of any other Sun Capital Entity). The Borrower shall conduct its business solely in its own name and shall cause each other Sun Capital Entity to conduct its respective business solely in that respective Sun Capital Entity's own name so as not to mislead others as to the identity of the entity with which those others are concerned. The Borrower shall not incur any direct, indirect or overhead expenses that are material for any items shared between the Borrower and any other Sun Capital Entity, other than shared expenses that shall be allocated on a basis reasonably related to the value of services rendered or property used. The Borrower shall not hold itself out, or permit itself to be held out, as having agreed to pay, or as being liable for, the debts of any other Sun Capital Entity, and the Borrower shall cause each other Sun Capital Entity not to hold itself out, or permit itself to be held out, as having agreed to pay, or as being liable for, the debts of the Borrower. The financial statements of the Borrower shall reflect that it is a corporation which is separate from each other Sun Capital Entity. The Borrower shall observe all formalities of an independent corporation.

6.13. Amendment to Documents; Assignments and Delegations. The Borrower shall not amend, grant any consent under, waive, terminate or otherwise modify any or all provisions of its Constituent Documents, any Purchase and Sale Agreement, any Lockbox Agreement or any other Program Document without the prior written consent of the Lender. Without limiting the foregoing, the Borrower shall not assign any of its rights or delegate any of its obligations under or in connection with any Program Document without the prior written consent of the Lender.

6.14. ERISA. The Borrower shall promptly give the Lender notice of the following events, as soon as possible and in any event within ten (10) days after the Borrower or any of its ERISA Affiliates knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Plan to which the Borrower or any of its ERISA Affiliates contributed, or any withdrawal from, or the termination, reorganization or Insolvency of, any Multiemployer Plan to which the Borrower or any of its ERISA Affiliates contributes or to which contributions have been required to be made by the Borrower or such ERISA Affiliate during the preceding five years or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any of its ERISA Affiliates or any such Multiemployer Plan with respect

to the withdrawal from, or the termination, Reorganization or Insolvency of, any such Plan or Multiemployer Plan.

6.15. Copies of Notices, Waivers, Etc. Upon the Lender's request, the Borrower shall promptly give the Lender copies of any notices, reports or certificates given or delivered to the Borrower under any Purchase and Sale Agreement, the Credit Insurance Policy or any Program Document to which the Borrower is a party. The Borrower shall provide the Lender a copy of any claim made by the Borrower under the Credit Insurance Policy at the time such claim is made (and any related correspondence at the time such correspondence is sent or received by the Borrower) and shall provide the Lender with monthly updates as to the status of such claim.

6.16. Subsidiaries, Distributions. The Borrower shall not create any Subsidiary. The Borrower shall not make any Distributions (i) more frequently than once each calendar quarter; (ii) if such payment would be prohibited under applicable law; and (iii) after the occurrence of a Default, without the prior written consent of the Lender.

6.17. Maximum Amount of Purchased Accounts. Except to the extent specifically approved in writing by the Lender, the Borrower shall not purchase under any Purchase and Sale Agreement any single Tier 2 Account having a Confirmed Collectible Amount, or Related Accounts having an aggregate Confirmed Collectible Amount, in excess of two hundred fifty thousand dollars ($250,000). For purposes of the immediately preceding sentence, "Related Accounts" means two or more Accounts payable by the same Obligor.

6.18. Maximum Amount of Accounts per Seller. Except to the extent specifically approved in writing by the Lender, the Borrower shall not purchase any Accounts from any single Seller to the extent that the portion of the outstanding Loans utilized to fund the purchase of Accounts from such Seller would exceed an amount equal to twenty-five percent (25%) of the Maximum Amount of Credit.

6.19. Limitation on Amount Advanced. (a) Unless the Lender has given its prior written approval to the contrary, the Borrower shall not purchase any Account unless (i) if such Account is a Tier 1 Account, the Amount Paid to Seller for such Account is less than or equal to eighty-five percent (85%) of the Net Face Value of such Account; and (ii) if such Account is a Tier 2 Account, the Amount Paid to Seller for such Account is less than or equal to seventy-five percent (75%) of the Confirmed Collectible Amount of such Account.

(b) The Borrower agrees that (i) the amount payable to any broker with respect to any Accounts purchased pursuant to the applicable Purchase and Sale Agreement shall not exceed twenty percent (20%) of the Discount Fees collected by the Borrower pursuant to such Purchase and Sale Agreement, and (ii) such brokerage fees shall be payable and paid only out of such Discount Fees.

6.20. Purchase and Sale Agreements. The Borrower shall acquire Accounts solely pursuant to Purchase and Sale Agreements. The Borrower shall not sign a Purchase and Sale Agreement, and

shall not cause a Purchase and Sale Agreement to be signed, unless such Purchase and Sale Agreement conforms in all material respects to the Form Purchase and Sale Agreement; provided, however, that no Purchase and Sale Agreement signed after the date of this Agreement shall contain any reference to the Existing Lender or to Capital Business Credit or to Capital Factors, Inc.

6.21. Lockbox Agreements. The Borrower shall not sign any lockbox agreement or similar agreement, and shall not cause a lockbox agreement or blocked account agreement to be signed, unless such lockbox agreement or similar agreement, as the case may be, is in form and substance satisfactory to the Lender.

6.22. Taxes. The Borrower shall file or cause to be filed all Federal, state, and local tax returns that it is required to file under applicable law, and pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments it receives, except any taxes or assessments the validity of which is being contested in good faith by appropriate proceedings and with respect to which the Borrower has set aside adequate reserves on its books in accordance with GAAP and which proceedings could not reasonably be expected to have a Material Adverse Effect (which reserves and unpaid taxes shall not, on an aggregate basis, exceed five percent (5%) of the Outstanding Amounts Paid to Sellers as of the time any such reserves are set aside).

6.23. Merger or Consolidation, Sales of Assets, Etc. The Borrower shall not consolidate with or merge into any other Person. The Borrower shall not convey or transfer any of its Properties to any Person except for (a) payments made pursuant to this Agreement, the Lockbox Agreements and the Purchase and Sale Agreements and (b) payments made by the Borrower in the ordinary course of its business which do not conflict with the terms of this Agreement.

6.24. Solvency. The Borrower shall continue to be Solvent.

6.25. Derivative Contracts. The Borrower shall not enter into any Interest Rate Protection Agreement, foreign currency exchange contract or other financial or commodity derivative contracts.

6.26. Negative Pledge Clauses; Subordination. The Borrower shall not enter into any agreement (other than this Agreement), instrument, deed or lease which prohibits or limits the ability of the Borrower to create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, or which requires the grant of any collateral for any obligation if collateral is granted for another obligation. The Borrower shall not (i) enter into any agreement to subordinate its rights with respect to any Accounts or other Property without the prior written consent of the Lender, or (ii) amend, waive or otherwise modify any such agreement without the prior written consent of the Lender.

6.27. Transactions with Affiliates. The Borrower shall not effect any transaction with any Sun Capital Entity or any of the Borrower's or any Sun Capital Entity's Affiliates on a basis less favorable to the Borrower than would be the case if such transaction had been effected with a non-Affiliate.

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6.28. Sellers Subject to Debtor Relief Laws. The Borrower shall not purchase any Accounts from a Seller that is a party to a proceeding under any Debtor Relief Law (other than solely as a creditor) without the prior written consent of the Lender.

6.29. Servicing of Accounts. If and to the extent that the Borrower services Accounts, the Borrower shall service and administer the Accounts and shall collect payments due under the Accounts in a prudent and lawful manner and with a standard of care that is not less than the standard of care that is customary in the industry.

6.30. Insurance Policies. The Borrower shall maintain, at its own expense, one or more fidelity bonds and errors and omissions insurance policies, with broad coverage with responsible companies, with respect to officers and employees (in the case of a fidelity bond) and all officers, directors and employees (in the case of an errors and omissions insurance policy) acting on behalf of the Borrower with regard to its responsibilities as Borrower, which bonds and policies shall name the Lender as the loss payee and as an additional insured. Such bonds and policies shall protect and insure the Borrower (and the Lender) against losses, including forgery, larceny, dishonest or fraudulent acts (in the case of a fidelity bond) and errors and omissions (in the case of an errors and omissions insurance policy) of such persons and shall be maintained in a form and amount approved by the Lender.

The Borrower, at its expense, shall keep and maintain its assets insured against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners who use such properties in similar businesses for the full insurable value thereof. The Borrower shall deliver to the Lender certified copies of such policies of insurance and evidence of the payments of all premiums therefor. The Borrower shall also keep and maintain business interruption, public liability and property damage insurance relating to the Borrower's ownership and use of its assets. All such policies of insurance shall be in such form, with such companies, and in such amounts as may be satisfactory to the Lender. All such policies of insurance (except those of public liability and property damage) shall contain an endorsement in a form satisfactory to the Lender showing the Lender as a loss payee thereof, and all proceeds payable thereunder shall be payable to the Lender and, upon receipt by the Lender, shall be applied on account of the Credit Obligations. To secure the payment of the Credit Obligations, the Borrower grants the Lender a security interest in and to all such policies of insurance (except those of public liability and property damage) and the proceeds thereof, and the Borrower shall direct all insurers under such policies of insurance to pay all proceeds thereof directly to the Lender.

No provision of this Section 6.30 requiring such bonds and insurance policies shall diminish or relieve the Borrower from its duties and obligations as set forth in this Agreement. The proceeds from any such bond or insurance policy shall be delivered to the Lender and deemed to be Collateral. Any such bond and insurance policy shall not be canceled or modified without ten (10) days' prior written notice to the Lender.

6.31. Modification of Terms. The Borrower shall not permit any rescission or cancellation of a Purchased Account except as ordered by a court of competent jurisdiction or other Governmental Authority or as otherwise consented to by the Lender in writing. The Borrower shall not, except with the prior written consent of the Lender, extend, amend or otherwise modify the terms of any Purchased Account.

6.32. Methods of Collection; Obligor Notices; Factor Account. (a) In connection with each Lockbox Agreement, the Borrower shall cause the related Lockbox Bank to establish a Lockbox and a Lockbox Account.

(b) The Borrower shall cause Obligor Notices to be mailed to the Obligor of each Account, by certified mail, return receipt requested, prior to the time that the Borrower purchases such Account. If a Seller or the Borrower shall neglect or refuse to send an Obligor Notice to an Obligor, then the Lender shall be entitled to send an Obligor Notice to such Obligor. All Collections on Accounts transmitted by Obligors to the Borrower (or by a Seller or other Person to the Borrower) rather than directly to a Lockbox or a Lockbox Account shall be held by the Borrower in trust for the benefit of the Lender and shall be delivered by the Borrower to a Lockbox or a Lockbox Account no later than the Business Day following receipt thereof by the Borrower. The Borrower agrees that it shall not commingle any Collections with any of the Borrower's other funds or property, but shall hold them separate and apart therefrom in trust for the Lender until such Collections are deposited into the relevant Lockbox or Lockbox Account.

(c) The Borrower shall not change the foregoing method of collection or the related instructions to Obligors except with the prior written consent of the Lender.

(d) The Borrower hereby authorizes the Lender, and grants to the Lender an irrevocable power of attorney, with full power of substitution and coupled with an interest, to take in the Borrower's name any and all steps as are necessary or advisable, in the determination of the Lender, in order to change, modify or rescind the direction set forth in any Obligor Notice sent pursuant to a Purchase and Sale Agreement.

(e) The Borrower shall instruct the Lockbox Bank to transfer items on deposit in the Lockboxes only to the Lockbox Accounts. The Borrower shall instruct the Lockbox Bank to transfer amounts on deposit in the Lockbox Accounts only (i) to the Factor Account or (ii) to or at the direction of the Lender. Notwithstanding the foregoing, if one or more Events of Default shall occur and be continuing, (i) the Borrower shall not give any instructions to any Lockbox Bank without the prior written consent of the Lender and (ii) the Borrower shall give instructions to each Lockbox Bank in accordance with the instructions of the Lender.

6.33. Independent Public Accountants' Borrower Report. The Borrower, at the expense of the Borrower, shall cause a firm of nationally recognized independent public accountants (which shall be a "Big 5" firm (or other firm satisfactory to the Lender) and which may also render other

services to the Borrower or any Affiliate thereof) to furnish a report to the Lender on or before the 45th day following June 30 and December 31 of each year (each such report shall cover the six month period ending on such June 30 or December 31 (or, in the case of the first such report, the period since the date of the first Loan under this Agreement)), in each case to the effect that such accountants have applied certain agreed-upon procedures that the Lender and such accountants shall have agreed upon prior to March 31, 2002, which procedures may be modified from time to time by such accountants with the prior written consent of the Lender.

6.34. Covenant to Maintain Privileges. The Borrower shall maintain all of its rights, powers and privileges relevant to the collectibility of the Purchased Accounts.

6.35. Protection of the Lender's Rights. The Borrower shall take no action which, nor omit to take any action the omission of which, could impair the rights of the Lender in any Purchased Account, the Related Property or any other Collateral.

6.36. Modification of Systems. The Borrower agrees, promptly after the replacement or any material modification of any computer, automation or other operating systems (in respect of hardware or software) used in the conduct of the Borrower's business, including in connection with making any calculations or reports hereunder, to give notice of any such replacement or modification to the Lender.

6.37. Keeping of Records and Books of Account. The Borrower shall maintain and implement administrative and operating procedures (including the ability to recreate records evidencing the Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, computer records and other information, reasonably necessary or advisable for the collection of all the Purchased Accounts and the Related Property. Such documents, books and computer records shall reflect all facts giving rise to the Purchased Accounts and the Related Property, all payments and credits with respect thereto, and shall indicate the interests of the Lender in the Purchased Accounts, the Related Property and all other Collateral.

6.38. Factor Account.

(a) The Borrower shall not terminate the Factor Account without the prior written consent of the Lender.

(b) Funds shall be deposited in and withdrawn from the Factor Account in accordance with Section 2.1.3.

(c) Until released from the Factor Account, funds on deposit in the Factor Account, shall be invested only in Eligible Investments. Upon the request of the Lender from time to time, (x) the Borrower shall cease causing such funds to be invested, and (y) the Borrower shall cause all investments of such funds to be sold or otherwise liquidated, in each case in accordance with the instructions of the Lender.

(d) Interest and other investment earnings on amounts in the Factor Account shall be retained in the Factor Account, and shall be considered to be amounts on deposit therein until withdrawn therefrom in accordance with this Agreement.

6.39. Credit Insurance Policy. The Borrower shall: (i) comply with all of the terms and conditions of the Credit Insurance Policy; (ii) make claims under the Credit Insurance Policy in a timely manner; and (iii) maintain the Credit Insurance Policy in full force and effect.

7. Representations and Warranties. In order to induce the Lender to extend credit to the Borrower hereunder, the Borrower represents and warrants as follows on the date of this Agreement and on the Closing Date for each Loan:

7.1. Organization and Good Standing. The Borrower is a corporation duly organized and validly existing in good standing under the laws of the State of Florida, and has full corporate power, authority and legal right to execute, deliver and perform its obligations under each Program Document to which it is a party, and to own its properties and conduct its business as such properties are presently owned and as such business is presently conducted.

7.2. Due Qualification. The Borrower is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements), and has obtained all necessary licenses and approvals with respect to the Borrower, in each jurisdiction in which the failure to be in good standing, to be so qualified or to obtain such licenses and approvals would reasonably be expected to have a Material Adverse Effect.

7.3. Due Authorization. The execution, delivery and performance of each Program Document to which the Borrower is a party have been duly authorized by the Borrower by all necessary corporate action on the part of the Borrower and each Program Document to which it is a party has been duly executed and delivered by the Borrower.

7.4. Binding Obligation. Each Program Document to which the Borrower is a party constitutes the legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms; provided that (x) the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect relating to creditors' rights, and (y) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

7.5. No Conflicts. The execution, delivery and performance by the Borrower of each Program Document to which it is a party, including the performance by the Borrower of the transactions contemplated by each Program Document to which it is a party, and the fulfillment of the terms hereof and thereof by the Borrower, do not and shall not (i) contravene its Constituent Documents, (ii) conflict with or violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award having applicability to the Borrower, (iii) result in a breach of or constitute a default or require any consent under any agreement, lease or

other Property (and has kept such records during the preceding four months) are at such location. Since the date of its incorporation, there is no other such location at which the Borrower has had such an office.

7.11. Use of Proceeds. All proceeds of the Loan have been used in accordance with Section 2.2.

7.12. Lockboxes; Lockbox Banks. Prior to the purchase of Accounts under the related Purchase and Sale Agreement, Obligor Notices have been mailed to all Obligors relating to such Accounts by certified mail, return receipt requested, except to the extent otherwise consented to in writing by the Lender. The Lockbox Agreements constitute the legal, valid and binding obligations of the parties thereto, enforceable against such parties in accordance with its terms, except the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect relating to creditors' rights. Neither the Borrower nor any other Person on behalf of the Borrower maintains or has maintained any lockbox, deposit account or similar account other than the Lockboxes, the Lockbox Accounts, the Factor Account, the Operating Account and bank accounts maintained for the payment of reasonable expenses incurred in the ordinary course of business and the deposit of amounts which are not otherwise required to be paid to the Lender in accordance with this Agreement.

7.13. Default. No Default or Event or Default has occurred or is continuing.

7.14. ERISA. No Plan maintained by the Borrower or any of its ERISA Affiliates has any "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived. Each of the Borrower and each ERISA Affiliate of the Borrower has timely made all contributions required to be made by it to any Plan and Multiemployer Plan to which contributions are or have been required to be made during the preceding five years by the Borrower or such ERISA Affiliate, and no event requiring notice to the PBGC under Section 302(f) of ERISA has occurred and is continuing or could reasonably be expected to occur with respect to any such Plan, in any case, that could reasonably be expected to result, directly or indirectly, in any Lien being imposed on the property of the Borrower or the payment of any amount to avoid such Lien. No Plan Event with respect to the Borrower or any of its ERISA Affiliates has occurred or could reasonably be expected to occur that could reasonably be expected to result, directly or indirectly, in any Lien being imposed on the property of the Borrower or the payment of any amount to avoid such Lien.

7.15. Legal Name. The legal name of the Borrower is set forth in the preamble to this Agreement, and the Borrower has never used and does not now use any "doing business" names, trade names, fictitious names or other names.

7.16. Subsidiaries. The Borrower has no Subsidiaries.

7.17. Activities. The Borrower engages in no activities other than those contemplated by this Agreement.

7.18. Sellers. None of the Sellers is (a) an Affiliate of the Borrower, (b) an Affiliate of any of the Borrower's Affiliates, or (c) subject to any proceeding (other than solely as a creditor) under any Debtor Relief Law.

7.19. Solvency. The Borrower is Solvent and shall not become insolvent after giving effect to any incurrence of Loans hereunder and the consummation of the other transactions contemplated herein; the Borrower is paying its debts as they come due; and the Borrower, after giving effect to such transactions, shall not have unreasonably small capital with which to conduct its business.

7.20. Title to Properties, Etc.

(a) The Borrower has good title to and is the legal and beneficial owner of all right, title and interest in and to all of the Purchased Accounts and all other Collateral, in each case at all times, free and clear of any Lien (other than in favor of the Lender). No Obligor of a Purchased Account has received any notice of any adverse claim against, interest in or lien on all or any part of such Purchased Account and any Related Property (other than (i) interests being acquired by the Borrower, (ii) any such claim, interest or lien that shall no longer exist after such acquisition by the Borrower and (iii) the Lien of the Lender). At the time the Borrower acquires its interest in any Account or Related Property, the Borrower, having reviewed a UCC search report against the applicable Seller in the state where such Seller is located for UCC purposes and in any other applicable jurisdiction, is acquiring its interest in good faith and without knowledge of any adverse claim against, interest in, lien on, or defense to payment of, such Account or Related Property. The Liens granted to the Lender under Section 10 of this Agreement are first priority perfected Liens in all of the Purchased Accounts and in all of the other Collateral.

(b) The Borrower has indicated on its books and records (including any computer files) that the Lender has, and shall maintain such records in a manner such that the Lender shall continue to have, a first priority perfected security interest in all Purchased Accounts and all of the Borrower's other Property. Each Purchase and Sale Agreement constitutes a valid sale to the Borrower of all of the right, title and interest of the related Seller in and to the Accounts purported to be transferred thereunder now existing or hereafter created and all monies due or to become due with respect thereto and all other proceeds of such Accounts.

(c) No acquisition of any Account or Related Property by the Borrower constitutes a fraudulent transfer or fraudulent conveyance under any Debtor Relief Laws or is otherwise void or voidable or subject to subordination in favor of third party creditors under similar laws or principles or for any other reason.

(d) No effective UCC financing statement or other instrument similar in effect that covers all or part of any Property of the Borrower or any Seller, or any interest in any proceeds thereof, is on file in any recording office except financing statements as to which

termination statements or releases are filed on or before the date of the initial purchase of Accounts under the related Purchase and Sale Agreement and except financing statements naming the Borrower or the Lender as secured party.

(e) The Factor Account is and shall be maintained in the name of the Borrower and the Lender.

7.21. No Brokerage Fee. No brokerage, finder's or similar fee or commission is due to any party by reason of the Borrower entering into this Agreement or any other Program Document or by reason of any of the transactions contemplated hereby or thereby, except for the brokerage fees contemplated by Section 6.19.

7.22. Representations and Warranties in Program Documents. All representations and warranties set forth in the Program Documents were true and correct in all material respects at the time as of which such representations and warranties were made or deemed made.

7.23. Seller Representations and Warranty. To the best of the Borrower's knowledge, (i) each of the representations and warranties relating to Accounts set forth in the Purchase and Sale Agreements are true and correct, and (ii) each of the other representations and warranties set forth in the Purchase and Sale Agreements are true and correct in all material respects. Without limiting the foregoing, each Seller has represented and warranted to the Borrower (and the Borrower hereby represents to the Lender that the Borrower has taken reasonable precautions to ensure and verify the reliability of the Sellers' representations and warranties) that:

A. Each Account is a bona fide existing obligation created by an account debtor's express order for, and the actual sale and physical delivery of, or legal passage of title to, goods or the rendering of services to an account debtor in the ordinary course of business, which goods, prior to the sale, were owned free and clear of any liens or encumbrances, and which Account is then unconditionally owing to the Borrower without dispute, defense, offset, or counterclaim.

B. Each Account arises in connection with a transaction in which the account debtor which is not affiliated with the Borrower or with any of the Sellers, has received and has accepted the goods or services, and the invoices therefor, without dispute, offset, or claim of any kind as to price, terms, quality, quantity, delay in shipment, offsets, counterclaims, contra accounts or any other defense of any kind and character.

C. Each Account will be subject to no discounts, deductions, allowances, offsets, counterclaims or other contra items, nor to any other special terms of payment that are not shown on the face of the invoice thereof.

D. Each Account will not represent a delivery of merchandise upon "consignment", "guaranteed sale", "sale or return", "payment on reorder", or similar terms.

E. Each Account will not represent a "pack, bill and hold" transaction [unless the Borrower or the Seller involved in such transaction has furnished the Lender with a copy of the account debtor's purchase order immediately after its receipt, and the Lender has obtained such account debtor's agreement to grant the Lender a security interest in the merchandise and pay for such merchandise at maturity of such Seller's invoice irrespective of whether or not the Lender has or such Seller has received instructions to deliver the same.

F. With regard to the Borrower's relationship with each of its Sellers:

(a) Each Purchase and Sale Agreement entered into by the Borrower shall comply with Section 6.21.

(b) Each Purchase and Sale Agreement is a bona fide, good, valid and subsisting obligation of the applicable Seller, and the Borrower does not know of any fact which impairs or will impair the validity, legality or enforceability of any Purchase and Sale Agreement.

(c) The signatures of all Sellers and guarantors of the obligations in connection with the Purchase and Sale Agreements are genuine and each Seller and each such guarantor had the legal capacity and authority to enter into and execute such documents on the date thereof.

(d) The Borrower has notified and agrees to notify the Lender promptly of any change in the name, corporate structure, jurisdiction of organization or business address(es) or location(s) of any Seller.

(e) All applicable state and federal laws have been complied with in conjunction with all of the Purchase and Sale Agreements, as well as all of the transactions arising pursuant to such agreements. The Borrower acknowledges to the Lender that the non-compliance with such laws constitutes a breach of this Agreement and would have an adverse impact on the value, enforceability and/or collectibility of any Account pledged to the Lender pursuant to this Agreement.

(f) Each Purchase and Sale Agreement, and the transaction entered into in connection therewith, shall not contravene any applicable statute, law or regulation.

(g) Each Purchase and Sale Agreement correctly sets forth the terms of the Borrower's purchase of Accounts from each Seller, including, without limitation, the factoring commissions applicable thereto. Further, the Borrower shall provide the Lender with immediate notice of any breach of any Purchase and Sale Agreement or any amendment thereto or any termination thereof.

7.24. Government Regulation. Neither the Borrower nor any Person controlling the Borrower or under common control with the Borrower is subject to regulation under the Public Utility Holding Company Act of 1935, as amended, the Federal Power Act, as amended, the

Investment Company Act of 1940, as amended, the Interstate Commerce Act, as amended, or any similar statute or regulation which regulates the incurring by the Borrower of Indebtedness as contemplated by this Agreement.

7.25. Disclosure. Neither this Agreement nor any other document furnished or to be furnished from time to time to the Lender or any insurance company by or on behalf of the Borrower in connection with the transactions contemplated hereby or the other Program Documents contains or shall contain at the time such document is furnished any untrue statement of material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. No fact is known to the Borrower which has resulted, or in the future (so far as the Borrower can reasonably foresee) shall result, or creates a material risk of resulting, in any Material Adverse Effect.

7.26. Issuance of Stock. The Borrower has not issued any shares of stock, whether voting or non-voting, to any Person other than Peter Baronoff, Malinda Baronoff, Howard Koslow and Jane Koslow. All of such shares of stock have been duly and validly issued and have been paid for in full.

7.27. Conditions Precedent. On the Closing Date for each Loan, all of the conditions precedent in Section 5.2 have been satisfied with respect thereto.

7.28. Fiscal Year. The Borrower's fiscal year is the calendar year.

7.29. Purchase and Sale Agreements; Lockbox Agreements. Each Purchase and Sale Agreement conforms in all material respects to the Form Purchase and Sale Agreement. The Borrower is not a party to any lockbox agreement or similar agreement other than the "Lock Box Agreement" referred to in the Union Planters Master Agreement.

7.30. Tax Identification Number. The federal tax identification number of the Borrower is 65-066-5095.

7.31. Insurance Policies. The Borrower has paid all premiums payable under each insurance policy contemplated by Section 6.30, has complied with all of its covenants under each such insurance policy, and has satisfied all conditions required to be satisfied under each such insurance policy. All of the representations of the Borrower in each such insurance policy (and in any application relating thereto) are true and correct.

7.32. Liabilities and Contingent Liabilities. All liabilities and contingent liabilities of the Borrower are listed on Schedule 7.32 to this Agreement, other than Credit Obligations and items of the type contemplated by clauses (i), (ii) and (iii) of Section 6.8. The only Persons that are owed or that hold the subordinated debt referred to on Schedule 7.32 to this Agreement are as follows: MICA V, Inc., a Florida corporation, Desarrollos Inmobiliarios Integrales, S.A. DE C.V., Peter Baronoff, Joseph Porcelli and Bess Porcelli.

7.33. Existing Loan Agreement. The Existing Loan Agreement was not amended or otherwise modified prior to the Closing Date, except by the Amendment to Loan and Security Agreement dated as of June 20, 1997 and the Second Amendatory Agreement to Loan and Security Agreement, dated as of May 15, 1998.

Upon discovery by the Borrower of a breach of any of the foregoing representations and warranties, the Borrower shall give written notice thereof to the Lender within one Business Day of such discovery, provided that failure to provide such notice within one Business Day shall neither toll any applicable cure period nor prevent a Default from occurring.

8. Defaults.

8.1. Events of Default. Each of the following shall constitute an "Event of Default":

8.1.1. Payment. (a) The Borrower shall fail to make any payment in respect of: (i) interest or any fee on or in respect of any of the Credit Obligations owed by it as the same shall become due and payable, or (ii) principal of any of the Credit Obligations owed by it as the same shall become due, whether at maturity or by acceleration or otherwise (including without limitation pursuant to Section 4.1 or Section 4.2).

(b) Without limiting the foregoing, the Lender shall fail to receive payment in full of all accrued and unpaid interest on the Loans by the second Business Day of each calendar month.

8.1.2. Specified Covenants. The Borrower shall fail to perform or observe any of the provisions of Section 4.3 or Sections 6.1 through 6.39.

8.1.3. Other Covenants. The Borrower shall fail to perform or observe any other covenant, agreement or provision to be performed or observed by it under this Agreement or any other Program Document, and such failure shall not be rectified or cured to the written satisfaction of the Lender within ten (10) days after the earlier of (a) notice thereof by the Lender to the Borrower or (b) any officer of the Borrower having knowledge thereof.

8.1.4. Representations and Warranties. Any representation or warranty of or with respect to the Borrower made to the Lender in, pursuant to or in connection with this Agreement or any other Program Document shall be materially false on the date as of which it was made.

8.1.5. Credit Insurance Policy. (a) The Credit Insurance Policy shall fail to be in full force and effect; (b) the Designated Insurer shall fail to be rated at least "AA" by Standard & Poor's for a period of thirty (30) days; or (c) the aggregate amount of the Borrower's unpaid claims submitted to the Designated Insurer exceeds one hundred thousand dollars ($100,000) and such claims have not been paid in full within ninety (90) days of being submitted to the Designated Credit Insurer.

8.1.6. Ownership. A Change of Ownership Event shall have occurred.

8.1.7. Enforceability, Etc. Any Program Document shall cease for any reason (other than the termination thereof in accordance with its terms) to be enforceable in accordance with its terms or in full force and effect, or any party to any Program Document shall so assert in a judicial or similar proceeding, or the security interests created by this Agreement or any other Program Document shall cease to be enforceable and of the same effect and priority purported to be created hereby or thereby.

8.1.8. Judgments. A judgment (a) which, with other outstanding judgments against the Borrower, exceeds the Judgment Measurement Amount shall be rendered against the Borrower, or (b) which grants injunctive relief that results, or creates a material risk of resulting, in a Material Adverse Effect and in either case if, (i) within thirty (30) days after entry thereof, such judgment shall not have been discharged or execution thereof stayed pending appeal or (ii) within thirty (30) days after the expiration of any such stay, such judgment shall not have been discharged.

8.1.9. ERISA. Any Plan Event shall occur.

8.1.10. Material Adverse Effect. Any event or circumstance since the Initial Lending Date shall occur or fail to occur which has had or could reasonably be expected to have a Material Adverse Effect.

8.1.11. Bankruptcy, Etc. The Borrower or any Sun Capital Entity or the Designated Insurer shall:

(a) commence a voluntary case or proceeding under any Debtor Relief Law or authorize, by proceedings of its board of directors or other governing body, the commencement of such a voluntary case or proceeding;

(b) (i) have filed against it a petition commencing an involuntary case under any Debtor Relief Law that shall not have been dismissed within thirty (30) days after the date on which such petition is filed, or (ii) file an answer or other pleading within such thirty (30) day period admitting or failing to deny the material allegations of such a petition or seeking, consenting to or acquiescing in the relief therein provided, or (iii) have entered against it an order for relief in any involuntary case commenced under any Debtor Relief Law;

(c) otherwise seek relief under any Debtor Relief Law, or consent to or acquiesce in such relief;

(d) have entered against it an order by a court of competent jurisdiction (i) finding it to be bankrupt or insolvent, (ii) ordering or approving its liquidation or reorganization as a debtor or any modification or alteration of the rights of its creditors or (iii) assuming

custody of, or appointing a receiver or custodian for, all or a substantial portion of its property; or

(e) make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint, or consent to the appointment of, or suffer to exist a receiver or other custodian for, all or a substantial portion of its property.

8.1.12. Seller Default. The occurrence of a default or event of default (regardless of how such default is described) under a Purchase and Sale Agreement, if (a) the Borrower is aware of such default or event of default and (b) such default or event of default has not been cured or waived to the written satisfaction of the Lender within five Business Days after the occurrence thereof.

8.1.13. Lockbox Arrangements. (i) Any Lockbox Bank or any other Person shall fail to transfer any Collections in respect of Accounts in the manner contemplated by the related Lockbox Agreement or in a manner otherwise approved in writing by the Lender, (ii) the applicable Seller delivers a Revocation Order to a Lockbox Bank, (iii) the applicable Seller or the Borrower or any Person acting on behalf of any thereof instructs any Obligor to make payments other than to the applicable Lockbox or Lockbox Account, or (iv) without limiting the foregoing, Union Planters fails to comply with the Union Planters Master Agreement.

8.2. Certain Actions Following an Event of Default. If any one or more Events of Default shall occur and be continuing, then in each and every such case:

8.2.1. Terminate Agreement. The Lender may terminate this Agreement by furnishing notice of such termination to the Borrower.

8.2.2. Specific Performance; Exercise of Rights. The Lender may proceed to protect and enforce the Lender's rights by suit in equity, action at law or other appropriate Proceedings, either for specific performance of any covenant or condition contained in this Agreement or any other Program Document or in any instrument or assignment delivered to the Lender pursuant to this Agreement or any other Program Document, or in aid of the exercise of any power granted in this Agreement or any other Program Document or any such instrument or assignment. Without limiting the foregoing, the Lender may exercise any rights or remedies under applicable law or under any Program Document. None of the foregoing shall limit or be interpreted to limit in any way or by any means the Lender's right to vindicate or prosecute or otherwise protect or sue upon any right of any kind under this Agreement or any other Program Document, whether at law, in equity, or otherwise.

8.2.3. Acceleration. The Lender may by notice in writing to the Borrower declare all or any part of the unpaid balance of the Credit Obligations then outstanding to be immediately due and payable; provided, however, that if a Bankruptcy Default shall have occurred, the unpaid balance of the Credit Obligations shall automatically become immediately due and payable.

8.2.4. Enforcement of Payment; Collateral; Setoff.

(a) The Lender may send one or more notices to Union Planters or one or more Lockbox Banks (including one or more notices previously signed by the Borrower) in order to take control of one or more Lockboxes, one or more Lockbox Accounts and the Factor Account.

(b) Without limiting the foregoing, the Lender may proceed to enforce payment of the Credit Obligations in such manner as it may elect, and to realize upon any and all rights in the Collateral (including, without limitation, applying amounts on deposit in any account to the Credit Obligations in such manner as the Lender shall determine in its sole and absolute discretion). The Lender may offset and apply toward the payment of the Credit Obligations (or toward the curing of any Event of Default) any Indebtedness from the Lender to the Borrower, including any Indebtedness represented by deposits in any account maintained with the Lender, regardless of the adequacy of any security for the Credit Obligations. The Lender shall have no duty to determine the adequacy of any such security in connection with any such offset.

8.3. Annulment of Defaults. Once a Default or an Event of Default has occurred, such Default and Event of Default shall be deemed to exist and be continuing until cured by the Borrower to the reasonable satisfaction of the Lender (or until the Lender has waived such Default or Event of Default in writing, has stated in writing that the same has been cured to the Lender's satisfaction or has entered into an amendment to this Agreement which by its express terms cures such Default or Event of Default), at which time such Default or Event of Default shall no longer be deemed to exist or to have continued. The Lender shall not be obligated to make any such waiver, make any such statement or enter into any such amendment. No such action by the Lender shall extend to or affect any subsequent Default or Event of Default or impair any rights of the Lender upon the occurrence thereof. The making of any Loan during the existence of any Default or Event of Default shall not constitute a waiver of such Default or Event of Default.

8.4. Waivers. To the extent that such waiver is not prohibited by the provisions of applicable law that cannot be waived, the Borrower hereby waives:

(a) all presentments, demands for performance, notices of nonperformance (except to the extent required by this Agreement), protests, notices of protest and notices of dishonor;

(b) any requirement of diligence or promptness on the part of the Lender in the enforcement of its rights under this Agreement or any other Program Document;

(c) any and all notices of every kind and description which may be required to be given by any statute or rule of law; and

(d) any defense (other than payment in full) which it may now or hereafter have with respect to its liability under this Agreement or any other Program Document or with respect to the Credit Obligations.

8.5. No Effect on Security Interest. The occurrence of a Default shall not affect the security interest granted pursuant to this Agreement, including but not limited to the security interest in Property not yet owned by the Borrower (or not yet created) as of the date of the occurrence of such Default.

9. Expenses; Indemnity.

9.1. Expenses. In addition to the rights of indemnification under Section 9.2, and whether or not the transactions contemplated hereby shall be consummated, the Borrower shall pay on demand:

(a) all costs and expenses of the Lender (including, without limitation, the fees and other charges of counsel to the Lender): (i) in connection with the preparation, drafting, negotiation, execution, delivery, filing and administration (including, without limitation, periodic auditing) of (A) this Agreement and each other Program Document, and (B) any potential or actual amendment, amendment and restatement, modification or waiver of or consent in respect of this Agreement or any other Program Document (including, without limitation in connection with any "workout" or any foreclosure or bankruptcy or insolvency proceeding or any litigation or other adversary proceeding); (ii) without limiting the foregoing, in connection with the Lender obtaining advice as to the rights and remedies of any Person or Persons under this Agreement and any other Program Document (including, without limitation in connection with any "workout" or any foreclosure or bankruptcy or insolvency proceeding or any litigation or other adversary proceeding); (iii) without limiting the foregoing, in connection with any litigation, contest, dispute, suit, proceeding or action (whether instituted by the Lender, the Borrower or any other Person) in any way relating to the Collateral, this Agreement or any of the other Program Documents or the Borrower's affairs; (iv) without limiting the foregoing, in connection with any attempt to enforce any rights of the Lender against the Borrower or any other Person which may be obligated to the Lender by virtue of this Agreement or any of the other Program Documents, including any Obligor or any guarantor of the Credit Obligations; or (v) without limiting the foregoing, in connection with any attempt to inspect, verify, protect, preserve, perfect or continue the perfection of the Lender's liens upon, restore, collect, sell, liquidate or otherwise dispose of or realize upon the Collateral;

(b) all recording and filing fees and transfer and documentary stamp and similar taxes at any time payable in respect of this Agreement, any other Program Document, any Collateral or the incurrence of the Credit Obligations; and

(c) any and all reasonable fees, costs or expenses which the Lender pays to a bank or other similar institution arising out of or in connection with (i) the forwarding to the

Borrower or any other Person on behalf of the Borrower, by the Lender, of proceeds of advances made by the Lender to the Borrower pursuant to this Agreement and (ii) the depositing for collection, by the Borrower, of any check or item of payment received or delivered to the Lender on account of the Credit Obligations.

9.2. General Indemnity.

(a) Indemnification by the Borrower. Whether or not the transactions contemplated hereby shall be consummated, and without limiting any other rights that the Indemnified Parties may have under this Agreement or any other Program Document or under applicable law, the Borrower hereby agrees to indemnify each Indemnified Party from and against any and all Indemnified Amounts of any kind or nature whatsoever arising out of, relating to or resulting from (whether directly or indirectly) this Agreement, any other Program Document or the transactions contemplated hereby or thereby, or with respect to the use of proceeds of Loans, or in respect of any Receivable or any other Collateral, excluding, however, Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party, or any overall net income taxes or franchise taxes imposed on such Indemnified Party by the jurisdiction under the laws of which such Indemnified Party is organized or by the United States federal government. Without limiting or being limited by the foregoing, but subject to the exclusions set forth in the preceding sentence, the Borrower shall pay on demand to each Indemnified Party any and all amounts necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from any of the following:

(i) the failure of any Account to be an Eligible Account, the failure of any information contained in any report delivered to the Lender under this Agreement to be true and correct, or the failure of any other information provided to the Lender with respect to any Collateral or pursuant to or in connection with this Agreement or any other Program Document to be true and correct; or

(ii) the failure of any representation or warranty or statement or certification made or deemed made by the Borrower or any Seller or any Lockbox Bank (or any officer of any of the foregoing) under or in connection with this Agreement or any other Program Document to have been true and correct in all material respects when made; or

(iii) the failure by the Borrower or any Seller or any Lockbox Bank to comply with any applicable law, rule or regulation (including without limitation "bulk sales" or analogous laws of any jurisdiction) with respect to any Account or other Collateral or the transactions contemplated by this Agreement or any other Program Document, or the failure of any transaction or circumstance giving rise to an Account or other Collateral to conform to any such applicable law, rule or regulation; or

(iv) the failure to vest in the Lender, a valid and enforceable first priority perfected security interest in the Collateral, in each case free and clear of any Lien; or

(v) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Accounts or other Collateral, whether at the time of any Loan or at any subsequent time; or

(vi) any dispute, claim, offset, billing adjustment or defense of any Obligor to the payment of any Account (including, without limitation, a defense based on such Account not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms) and any other claim resulting from the sale of the goods or services related to any Account or the furnishing or failure to furnish such goods or services or relating to collection activities with respect to any Account; or

(vii) any failure of the Borrower or any Seller or Union Planters or any Lockbox Bank or the Designated Insurer to perform or comply with its duties or obligations in accordance with the provisions of this Agreement or any other Program Document; or

(viii) the ownership, delivery, non-delivery, possession, design, construction, use, maintenance, transportation, performance (whether or not according to specifications), operation (including without limitation the failure to operate or faulty operation), condition, return, sale, repossession or disposition of any Collateral (including, without limitation, claims for injury to persons or property, claims under other liability principles, and claims for breach of warranty, whether express or implied); or

(ix) any claim, investigation, litigation or proceeding (including without limitation any foreclosure or bankruptcy or insolvency proceeding or appellate proceeding) arising out of or in connection with the goods, insurance or services relating to any Account or any other Collateral; or

(x) the commingling of any portion of Collections at any time with other funds; or

(xi) any claim, investigation, litigation or proceeding (including without limitation any foreclosure or bankruptcy or insolvency proceeding or appellate proceeding) related to this Agreement or any other Program Document or the use of proceeds of any Loan or in respect of any Account or other Collateral, whether or not any Indemnified Party is a party to such claim, investigation, litigation or proceeding; or

(xii) the failure to notify any Obligor of the assignment of any Account from a Seller to the Borrower, or of the pledge of any Account to the Lender, or the failure to require that payments (including without limitation under insurance policies) be made directly to the Seller or to the Lender, as permitted by law; or

(xiii) any brokerage, finder's or other similar fee or commission; or

(xiv) any taxes asserted or imposed in respect of (A) the Accounts or other Collateral or (B) purchases and sales or pledges of Accounts or other Collateral or (C) the transactions contemplated by this Agreement or any other Program Document; or

(xv) any action or omission by the Borrower or any Seller or Union Planters or any Lockbox Bank or any Obligor or the Designated Insurer which reduces or impairs the rights of the Lender with respect to any Account or other Collateral; or

(xvi) any payment made by the Lender to or for the benefit of Union Planters or any Lockbox Bank or the Designated Insurer; or

(xvii) any liabilities of the Borrower to any other Person, including the liabilities listed on Schedule 7.32; or

(xviii) any Dilutions with respect to the Purchased Accounts.

(b) General. For purposes of this Section 9.2, in determining whether any representation or warranty or information was true and correct, or whether any duty or obligation was performed or complied with, any qualification or limitation in such representation and warranty or information or duty or obligation as to materiality, Material Adverse Effect, knowledge, reasonableness, expectations, or limitation on enforcement shall be disregarded. Indemnification pursuant to this Section 9.2 shall not be limited by any due diligence or other investigation made by or on behalf of the Lender or any other Indemnified Party.

10. Collateral; General Terms.

10.1. Security Interest in Collateral. To secure the payment and performance to the Lender (and to all Indemnified Parties) of the Credit Obligations, the Borrower hereby grants to the Lender a continuing security interest of first priority in and Lien upon all of the Borrower's right, title and interest in, to and under the following (in each case, whether now owned or existing or hereafter created, acquired or arising and wherever located):

(a) all Receivables, including without limitation all Purchased Accounts;

(b) all Related Property;

(c) the Lockboxes and the Lockbox Accounts, the Operating Account, the Factor Account and all checks, other evidences of payment and other items and funds on deposit from time to time in the Lockboxes or the Lockbox Accounts or the Operating Account or the Factor Account;

(d) all monies and other Property of any kind, now or at any time or times hereafter owned, in the possession or under the control of the Borrower or a bailee of the Borrower or any Lockbox Bank;

(e) the Program Documents;

(f) all "money", "fixtures", "accounts" (including "health-care-insurance receivables"), "chattel paper" (including tangible chattel paper and electronic chattel paper), "commercial tort claims", "goods", "inventory" (including computer programs embedded therein), "equipment" (including computer programs embedded therein), "instruments" (including promissory notes), "investment property", "documents", "deposit accounts", "letters of credit", "letter of credit rights", "general intangibles" (including payment intangibles and software), and "supporting obligations" (all of the terms in quotation marks in this clause (g) being used as presently or hereafter defined in the UCC) relating to or constituting any and all of the foregoing; and

(g) all other Property of the Borrower, including General Intangibles;

(h) the Borrower's Books; and

(i) any and all replacements, substitutions, distributions on, or Proceeds or products of any and all of the foregoing, including without limitation, all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all Proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all Proceeds of the conversion, voluntary, or involuntary, into cash or other liquid property, all cash Proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance Proceeds, condemnation awards, rights to payment of any and every kind and other forms of receivables, instruments and other supporting obligations and other property which at any time constitute all or part of or are included in Proceeds of any of the foregoing.

10.2. Lien Perfection. The Borrower shall deliver and authorize the filing of UCC financing statements, shall execute and deliver any and all other instruments, assignments or documents, and shall take such other action, in each case as may be necessary or appropriate in the judgment of the Lender to perfect or to continue the perfection of the Lender's security interest in the Collateral. Unless prohibited by applicable law, the Borrower hereby authorizes the Lender to file any such financing statement on the Borrower's behalf. The Lender hereby agrees to notify the Borrower of any such filing of a financing statement on the Borrower's behalf; provided, however, that any failure

to give such notice shall not affect in any respect whatsoever the validity or effectiveness of such financing statement or the perfection or continued perfection of the Lender's security interest in the Collateral. The parties agree that a carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement and may be filed in any office by the Lender. In the event that any Collateral, including proceeds, is evidenced by or consists of Negotiable Collateral, the Borrower shall, immediately upon written request therefor from the Lender, endorse and assign such Negotiable Collateral over to the Lender and deliver actual physical possession of the Negotiable Collateral to the Lender.

10.3. Location of Collateral. All tangible Collateral shall at all times be kept by the Borrower at the business location set forth in Section 7.10 and shall not, without the prior written approval of the Lender, be moved therefrom.

10.4. Protection of Collateral. All insurance expenses and all expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping the Collateral, any and all excise, property, sales, and use taxes imposed by any Governmental Authority on any of the Collateral or in respect of the sale thereof, shall be borne and paid by the Borrower. If the Borrower fails to promptly pay any portion thereof when due, the Lender may, at its option, but shall not be required to, pay the same and charge the Borrower therefor. The Borrower shall reimburse the Lender promptly therefor with interest accruing thereon daily at the Overdue Reimbursement Rate. All sums so paid or incurred by the Lender for any of the foregoing and all costs and expenses (including attorneys' fees, legal expenses, and court costs) which the Lender may incur in enforcing or protecting its Lien on or rights and interest in the Collateral or any of its rights or remedies under any Program Document or in respect of any of the transactions to be had hereunto, together with interest at the Overdue Reimbursement Rate, shall be considered Credit Obligations hereunder secured by all Collateral. The Lender shall not be liable or responsible in any way for the safekeeping of any of the Collateral or for any loss or damage thereto or for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency, or other Person whomsoever, but the same shall be at the Borrower's sole risk.

10.5. Certain Provisions Relating to Accounts.

10.5.1. Assignments, Records and Reports of Accounts. If so requested by the Lender, the Borrower shall execute and deliver to the Lender formal written assignments of all of its interests in Accounts weekly or, if requested by the Lender, daily, which shall include all Accounts in which the Borrower has acquired an interest since the date of the last assignment, together with copies of invoices or invoice registers related thereto. The Borrower shall keep accurate and complete records of its interests in the Accounts and all payments and collections thereon and shall submit to the Lender such reports in form and substance satisfactory to the Lender as are required by the terms hereof. The Borrower shall deliver such other reports of its interest in the Accounts in form and substance satisfactory to the Lender, as requested by the Lender from time to time.

10.5.2. Administration of Accounts.

(a) Upon and after the occurrence of an Event of Default that has not been cured or waived in accordance with Section 8.3, the Lender shall have the right to settle or adjust all disputes and claims directly with the Obligors and to compromise the amount or extend the time for payment of the Accounts upon such terms and conditions as the Lender may deem advisable, and to charge the deficiencies, costs and expenses thereof, including attorney's fees, to the Borrower.

(b) If any Account includes a charge for any tax payable to any Governmental Authority, the Lender is authorized, after the occurrence of an Event of Default, to pay the amount thereof to the proper Governmental Authority for the Account and to charge the Borrower therefor. The Borrower shall notify the Lender if any Account includes any tax payable to any Governmental Authority and, in the absence of such a notice (i) with respect to any Account, the Borrower shall be deemed to have made a representation and warranty to the Lender that no portion of such Account is payable to any Governmental Authority and (ii) the Lender shall have the right to retain the full proceeds of the Account. In no event shall the Lender be liable for any taxes to any Governmental Authority that may be due by the Borrower by reason of the sale and delivery creating an Account.

(c) Upon and following the occurrence of a Default or an Event of Default and while such Default or Event of Default is continuing, any of the Lender's officers, employees or agents shall have the right in the name of the Lender, any designee of the Lender or the Borrower, to verify the validity, amount or any other matter relating to any Accounts by mail, telephone, telegraph or otherwise. The Borrower shall cooperate fully with the Lender in an effort to facilitate and promptly conclude any such verification process.

10.5.3. Costs of Collection. All costs of collection of the Accounts including attorney's fees, out-of-pocket expenses, administrative and record-keeping costs, and all service charges and costs related to the establishment and maintenance of each Lockbox and each Lockbox Account, shall be the responsibility of the Borrower, whether the same are incurred by the Lender or the Borrower, as the case may be, and the Lender, in its sole discretion, may charge the same against the Borrower or any account maintained by the Borrower and the same shall be deemed part of the Credit Obligations.

10.6. Continuation of Security Interest. Notwithstanding termination of this Agreement, until all Credit Obligations, contingent or otherwise, have been fully repaid and performed, the Lender shall retain its security interest in all presently owned and hereafter arising or acquired Collateral, and the Borrower shall immediately deliver to the Lender, in kind, all collections and other Proceeds received respecting the Accounts and the other Collateral.

11. Netting. The Lender shall have the right from time to time without notice to net, recoup, set-off and deduct from any amount to be advanced by the Lender to the Borrower (or from any other amount that may be payable by the Lender to the Borrower) any and all fees, costs, expenses and other amounts that are payable by the Borrower pursuant to this Agreement,

including without limitation, amounts payable pursuant to Section 5.1(g); Section 9.1 and Section 9.2. In each case, the amount so netted, recouped, set-off, or deducted shall be deemed to have been advanced by the Lender as a Loan to the Borrower and shall constitute a Loan for all purposes of this Agreement. The Lender shall use reasonable efforts to give the Borrower notice of any such netting within five (5) Business Days after any such netting; provided that any failure or delay in giving any such notice (i) shall not limit or otherwise affect any rights or remedies of the Lender, and (ii) shall not impose any liability on the Lender.

12. Successors and Assigns; Lender Assignments and Participations. Any reference in this Agreement to any of the parties hereto shall be deemed to include the successors and permitted assigns of such party, and all covenants and agreements by or on behalf of the Borrower or the Lender that are contained in this Agreement shall bind and inure to the benefit of their respective successors and permitted assigns; provided, however, that the Borrower shall not assign or delegate any of its rights or obligations under this Agreement or any other Program Document (whether directly or indirectly, voluntarily or by operation of law) without prior written consent of the Lender.

12.1. Assignments by Lender.

12.1.1. Assignees.

(a) The Lender may without the consent of the Borrower assign to one or more Persons (each, an "Assignee") all or a portion of its interests, rights and obligations under this Agreement and the other Program Documents, including all or a portion of the Loans. From and after the effective date specified for such an assignment:

(i) the Assignee shall be a party hereto and, to the extent of such assignment, have the rights and obligations of the Lender under this Agreement; and

(ii) the Lender shall, to the extent provided in such assignment, be released from its obligations under this Agreement (and, in the case of an assignment covering all or the remaining portion of the Lender's rights and obligations under this Agreement, the Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.3 and 9, as well as to any fees accrued for its account hereunder and not yet paid).

(b) The Lender shall give prompt notice of such an assignment to the Borrower.

12.1.2. Further Assurances. The Borrower shall sign such documents and take such other actions from time to time reasonably requested by an Assignee to enable it to share in the benefits of the rights created by the Program Documents.

12.2. Credit Participants. The Lender may, without the consent of the Borrower, sell to one or more Persons (each a "Credit Participant") participations in all or a portion of its interests, rights and obligations under this Agreement and the other Program Documents (including all or a portion of the Loans); provided, however, that:

(a) the Lender's obligations under this Agreement shall remain unchanged;

(b) the Lender shall remain solely responsible to the Borrower for the performance of such obligations; and

(c) the Credit Participant shall be entitled to the benefit of the provisions contained in Sections 3.3, 9.1 and 9.2, but shall not be entitled to receive any greater payment thereunder than the Lender would have been entitled to receive with respect to the interest so sold if such interest had not been sold.

The Borrower agrees, to the fullest extent permitted by applicable law, that any Credit Participant and any Lender purchasing a participation from another Lender may exercise all rights of payment (including the right of set-off), with respect to its participation as fully as if such Credit Participant or such Lender were the direct creditor of the Borrower and a Lender hereunder in the amount of such participation.

13. Notices. Except as otherwise specified in this Agreement, any notice, consent, approval, demand or other communication in connection with this Agreement shall be given in writing. Any notice, consent, approval, demand or other communication in connection with this Agreement shall be deemed to be given if given in writing (including by facsimile transmission) addressed as provided in Schedule 13 hereto (or to the addressee at such other address as the addressee shall have specified by notice actually received by the addressor), and if either (a) actually delivered in fully legible form to such address or (b) in the case of a letter, unless actual receipt of the notice is required by this Agreement, five days shall have elapsed after the same shall have been deposited in the United States mails, with first-class postage prepaid and registered or certified.

14. Course of Dealing; Amendments and Waivers. No course of dealing between the Lender, on one hand, and the Borrower or any other Person, on the other hand, shall operate as a waiver of the Lender's rights under this Agreement or any other Program Document or with respect to the Credit Obligations. The Borrower acknowledges that if the Lender gives any notice or information to, or obtains any consent from any other Person, the Lender shall not by implication have amended, waived or modified any provision of this Agreement or any other Program Document, or created any duty to give any such notice or information or to obtain any such consent on any future occasion. No delay or omission on the part of the Lender in exercising any right under this Agreement or any other Program Document or with respect to the Credit Obligations shall operate as a waiver of such right or any other right hereunder or thereunder. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. This Agreement may be amended only by a

writing signed by both of the parties hereto. No waiver or consent with respect to this Agreement shall be effective unless it is in writing and is signed by the waiving party or consenting party, as the case may be.

15. Survival. Sections 3.3, 9.1, 9.2, 11, 14-21 and any indemnities set forth herein shall survive the execution and delivery of this Agreement, the making and repayment of the Loans, the satisfaction of all other Credit Obligations and termination of this Agreement.

16. GOVERNING LAW AND JURISDICTION, ETC. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY LAWSUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH LAWSUIT, ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH LAWSUIT, ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT SHALL AFFECT ANY RIGHT THAT THE LENDER MAY OTHERWISE HAVE TO BRING ANY LAWSUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT AGAINST ANY PERSON OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY LAWSUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT IN ANY COURT REFERRED TO IN THIS SECTION 16. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH LAWSUIT, ACTION OR PROCEEDING IN ANY SUCH COURT. EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 13. NOTHING IN THIS AGREEMENT SHALL AFFECT THE RIGHT OF ANY PARTY TO THIS

AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. TO THE EXTENT THAT THE BORROWER HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE BORROWER HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND UNDER ANY OTHER PROGRAM DOCUMENT.

17. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES HERETO AGAINST ANY OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY HERETO HEREBY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH OF THE PARTIES HERETO FURTHER AGREES THAT ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY LAWSUIT, ACTION, OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT OR ANY PROVISION HEREOF OF THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, AMENDMENTS AND RESTATEMENTS, OR MODIFICATIONS TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT.

18. Headings. The headings and captions of sections and subsections in this Agreement, of the exhibits to this Agreement, and the table of contents of this Agreement, are for purposes of reference only and shall not limit or otherwise affect the meaning or interpretation of any provision of this Agreement.

19. Interest Rates.

(a) It is the intention of the parties hereto that the Loans made hereunder shall conform strictly to applicable usury laws. Accordingly, none of the terms and provisions contained in this Agreement or any of the other Program Documents shall ever be construed to create a contract to pay interest to the Lender for the use, forbearance or detention of money at a rate in excess of the highest lawful rate applicable (the "Maximum Lawful Rate"); for purposes of this Section 19, "interest" shall include the aggregate of all charges or other consideration which constitute interest under applicable laws (whether or not denominated

as interest) and are contracted for, taken, reserved, charged or received under any of this Agreement or the other Program Documents or otherwise in connection with the transactions contemplated by this Agreement and the other Program Documents. If as a result of prepayment, acceleration of maturity or otherwise, the effective rate of interest which would otherwise be payable to the Lender under this Agreement or any other Program Document would exceed the Maximum Lawful Rate for the period during which the principal amount of the Loans was outstanding, or if the Lender shall receive moneys or other consideration that are deemed to constitute interest that would increase the effective rate of interest payable by the Borrower to the Lender under this Agreement or any other Program Document to a rate in excess of the Maximum Lawful Rate for the period during which the principal amount of the Loans or other Credit Obligations was outstanding, then (i) the amount of interest that would otherwise be payable by the Borrower to the Lender under this Agreement and the other Program Documents shall be reduced to the Maximum Lawful Rate, and (ii) any interest paid by the Borrower to the Lender in excess of the Maximum Lawful Rate shall be credited by the Lender as an optional prepayment of the Loans and other Credit Obligations (to be applied, to the extent lawful, to interest, principal and other Credit Obligations in the order specified in Section 4.5.2) and, thereafter, shall be returned to the Borrower. All calculations of the rate or amount of interest contracted for, taken, reserved, charged or received by the Lender under any of this Agreement and the other Program Documents that are made for the purpose of determining whether such rate or amount exceeds the Maximum Lawful Rate shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating and spreading during the full stated term of all of the Loans and other Credit Obligations owed to the Lender.

(b) If at any time and from time to time (i) the amount of interest payable to the Lender on any date would otherwise exceed the Maximum Lawful Rate, the amount of interest payable to the Lender shall be limited to the Maximum Lawful Rate pursuant to paragraph (a) above and (ii) in respect of any subsequent interest computation period, the amount of interest otherwise payable to the Lender would be less than the amount of interest payable to the Lender computed at the Maximum Lawful Rate, then the amount of interest payable in respect of such subsequent computation period shall be computed at the Maximum Lawful Rate until the earlier to occur of (x) the date upon which the total amount of interest payable to the Lender shall equal the total amount of interest that would have been payable to the Lender if the total amount of interest had been computed without giving effect to paragraph (a) above, or (y) payment in full of the Loans and other Credit Obligations.

20. No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and the other Program Documents with counsel sophisticated in financing transactions. In the event an ambiguity or question of intent or interpretation arises, this Agreement and the other Program Documents shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement and the other Program Documents. Without limiting the generality of the foregoing, this Agreement may use more than one test, calculation, representation and warranty, covenant, Event of Default or measure

to cover the same or similar matters, and all of such tests, calculations, representations and warranties, covenants, Events of Default and measurements are cumulative in nature and each shall be tested, calculated, determined, performed or measured in accordance with its terms.

21. Miscellaneous.

(a) All covenants, agreements, and representations and warranties made in this Agreement or any other Program Document or in certificates delivered pursuant hereto or thereto shall be deemed to have been relied on by the Lender and shall survive the execution and delivery to the Lender hereof and thereof.

(b) The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof.

(c) This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous understandings and agreements, whether written or oral. In the event of any conflict or inconsistency between this Agreement and any other document or agreement to which the Borrower and the Lender are parties, this Agreement shall control.

(d) This Agreement may be executed in any number of counterparts and by the parties hereto on different and separate counterparts, each of which shall constitute and original and all of which together shall constitute one agreement.

(e) The Borrower acknowledges that there is no, and it shall not seek or attempt to establish any, fiduciary relationship between the Borrower and the Lender. The Borrower waives any right to assert, now or in the future, the existence or creation of any fiduciary relationship between the Borrower and the Lender in any Proceeding (whether by way of claim, counterclaim, crossclaim or otherwise) for damages or other relief.

(f) The Borrower acknowledges that this Agreement is one of financial accommodation and is not assumable by the Borrower (whether as debtor or debtor-in-possession), or by the bankruptcy trustee of the Borrower, in any bankruptcy proceeding without the Lender's express written consent.

(g) The Lender's books and records shall be admissible in evidence without objection as prima facie evidence of the status of the accounts between the Lender and the Borrower. Each statement, report or accounting, if any, provided by the Lender to the Borrower shall be deemed conclusively accurate and binding on the Borrower unless, within fifteen (15) days after the date such statement, report or accounting was given to the Borrower by the Lender, the Borrower notifies the Lender to the contrary by registered or certified mail, setting forth with reasonable specificity the reasons why the Borrower believes such statement, report or accounting is inaccurate, as well as what the Borrower believes to be correct amount(s) therefor. The Borrower's failure to receive any such statement shall not

relieve it of the responsibility to request such statement and the Borrower's failure to do so shall nonetheless bind the Borrower to whatever the Lender's records would have reported.

(h) Each of the Lender's rights and remedies under this Agreement and any other Program Document are cumulative, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies which the Lender may have under applicable law. The Lender shall have the right, in its sole discretion, to determine which rights and remedies, and in which order any of the same, are to be exercised. No act, failure or delay by the Lender shall constitute a waiver of any of the rights and remedies to which it would otherwise be entitled. In the event the Lender deems it necessary to seek equitable relief, including, but not limited to, injunctive or receivership remedies, as a result of a Default, the Borrower waives any requirement that the Lender post or otherwise obtain or procure any bond. In the event the Lender, in its sole and exclusive discretion, desires to procure and post a bond, the Lender may procure and file with the court a bond in an amount which the Lender selects (which amount may be fifty thousand dollars ($50,000) or such other amount as the Lender selects) in its sole and exclusive discretion. Upon the Lender's posting such a bond, the Lender shall be entitled to all benefits as if such bond was posted in compliance with applicable law. The Borrower also waives any right it may be entitled to, including an award of attorney's fees or costs, in the event any relief (whether equitable or otherwise) sought by and awarded to the Lender is thereafter, for whatever reason, vacated, dissolved or reversed. Notwithstanding the existence of any law, statute or rule in any jurisdiction which may provide the Borrower with a right to attorney's fees or costs, the Borrower hereby (x) waives any and all rights to hereafter seek attorney's fees or costs from the Lender and (y) agrees that the Lender exclusively shall be entitled to indemnification and recovery of any and all attorney's fees or costs in respect to any Proceeding based hereon, arising out of, or related hereto, whether under, or in connection with, this Agreement or any agreement executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party.

(i) In the event that a court of competent jurisdiction renders a final, non-appealable judgment that the Borrower suffered actual damages as the direct result of the Lender's willful misconduct, then the Lender shall be liable to the Borrower for such amount of actual damages (excluding any attorney's fees or costs which may be included in or which may relate to such actual damages). Notwithstanding the foregoing, and notwithstanding any other term or provision of this Agreement, under no circumstances shall the Lender be liable for any incidental, punitive, special or consequential damages, including, but not limited to, any costs associated therewith, whether the Lender did or did not have any reason to know of a loss that may result from any general or particular requirement of the Borrower.

(j) Notwithstanding any other term or provision of this Agreement, and notwithstanding the date of this Agreement, this Agreement shall become effective at the Designated Effective Time but not prior to the Designated Effective Time. The Borrower and the Lender intend that the foregoing shall constitute an agreement within the meaning of Section 9-203 of the UCC which expressly postpones the time of the attachment of the

security interest created under this Agreement until the Designated Effective Time. "Designated Effective Time" shall mean 8:00 a.m. Florida time on the Initial Lending Date.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first above written.

SUN CAPITAL, INC.

By _____
Howard B. Koslow
President and Chief Operating Officer

FOUNDING PARTNERS STABLE-VALUE FUND, L.P.

By Founding Partners Capital Management Company, its general partner

By _____
William L. Gunlicks
President and Chief Executive Officer

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first above written.

SUN CAPITAL, INC.

By _____
Howard B. Koslow
President and Chief Operating Officer

FOUNDING PARTNERS STABLE-VALUE FUND, L.P.

By Founding Partners Capital Management Company, its general partner

By _____
William L. Gunlicks
President and Chief Executive Officer

CAUSE NO. 09-03561

ANNANDALE PARTNERS LP, ANNANDALE PARTNERS II, LP, BARBARA K. BALDWIN, BELMONT STRATEGIC INCOME FUND, LP., EDWARD D. FALLIN, JR., THEODORE S. FRIES, DONALD L. HAMPTON, KENNY ALLAN TROUTT, as Trustee, on behalf of the KENNY ALLAN TROUTT DESCENDANTS TRUST, MAXWELL HALSTED PARTNERS, LLC, and THE ROCK OF GAINESVILLE, INC.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	DALLAS COUNTY, TEXAS
v.	§	
SUN CAPITAL, INC., SUN CAPITAL HEALTHCARE, INC., PROMISE HEALTHCARE, INC., PETER BARONOFF, HOWARD KOSLOW, and LAWRENCE LEDER,	§	
Defendants.	§	134th JUDICIAL DISTRICT

AFFIDAVIT OF ROBB W. BALDWIN IN SUPPORT OF PLAINTIFFS' APPLICATION FOR TEMPORARY RESTRAINING ORDER, AND TEMPORARY AND PERMANENT INJUNCTIONS

STATE OF FLORIDA §
§
ALACHUA COUNTY §

BEFORE Me, the undersigned notary, on this day personally appeared Robb W. Baldwin, a person whose identity is known to me. After I administered an oath to him, upon his oath he said:

1. "My name is Robb W. Baldwin. I am over 18 years of age, of sound mind, have never been convicted of a felony, and I am fully able to testify to the matters in this affidavit

EXHIBIT
tabbies
"7"

because the information and facts stated herein are based on my personal knowledge and are true and correct.

2. I am a citizen and resident of Gainesville, Florida, and am currently employed as the President and Chief Executive Office of Portfolio Management & Research, Inc. ('Portfolio Management'), an investment management company registered with the Florida Secretary of State. In my capacity as President and CEO of Portfolio Management, I am responsible for, among other things, managing the investments of its clients, including but not limited to, The Rock of Gainesville, Inc., Donald L. Hampton, Barbara K. Baldwin, and Theodore S. Fries, each of whom is presently an investor in, and limited partner of, Founding Partners Stable-Value Fund, L.P.

3. Sometime in the Fall/Winter of 1999, while in the process of forming my own brokerage firm, I was introduced to William L. Gunlicks through a mutual business associate, Lance MacKenzie and introduced to Peter Baronoff, and Howard Koslow through James Schmitt. At that time, I was working with MacKenzie in connection with my brokerage firm, and MacKenzie was working with Gunlicks to market the services of Gunlicks's company, Founding Partners Capital Management Company ('FP Management'). MacKenzie, stated that Gunlicks should meet with Schmitt and who was working for a company called Sovereign Asset Management LLC, and suggested that a meeting with Gunlicks could be mutually beneficial.

4. In November 1999, I called Gunlicks and Schmitt to arrange a meeting at my office in Gainesville, Florida. Gunlicks agreed and Schmitt agreed and Schmitt brought with him Howard Koslow and Peter Baronoff. I learned at that time that Gunlicks operated a "fund of funds" known as Founding Partners Multi-Strategy Fund, LP. At the meeting, Baronoff and Koslow explained an investment program to Gunlicks where they would invest in factored

medical healthcare receivables. From this explanation, it was clear that Baronoff and Koslow had brought the idea of factored healthcare receivables to Gunlick, and were looking for sources of funds. The next month I traveled to Sun Capital's office in Boca Raton, Florida and met with Gunlicks, Baronoff, Koslow and Larry Leder.

5. During the meeting, Gunlicks, Baronoff, Koslow, and I discussed the potential formation of a new company to develop and operate a healthcare receivable funding operation. Baronoff and Koslow disclosed that they were principals of a company called Sun Capital Healthcare, Inc. and, through Sun Capital, they would be interested in investing in the infrastructure necessary to develop such a company; they also stated that they would be willing to invest significant working capital to support the development of a healthcare receivable funding operation.

6. On December 3, 1999, I received an 18-page facsimile from Gunlicks titled "medical receivables." A true and correct copy of this December 3, 1999 facsimile is attached hereto and incorporated by reference as Exhibit A. Gunlicks noted on the fax cover page that the following "paper on the medical receivables business [was] prepared by Howard Koslow." (*See* Ex. A at 1) In the paper, Koslow recounted the history relating to fee reimbursement for medical services and the shift from payment being made primarily by patients and "some insurance companies," to government funded payments and third party health care insurers. (Ex. A at 3) In describing the medical receivables industry, Koslow explained that "the key skill in the operation of a receivable funding company is risk management" which "involves measuring, pricing, and processing risks both during the due diligence stages and on an ongoing basis." (Ex. A at 6)

7. Significantly, Koslow detailed several key risks and ways of protecting against them," including but not limited to: (1) maintaining portfolio diversification, meaning "only

taking on as client Providers with a diversified portfolio of payors and claims"; (2) running credit checks on payors, that is checking "the historic payment profile of the payors (both ultimate collection rates and the average days to collection"; (3) ensuring that the loans are overcollateralized, meaning "advancing as cash only a certain percentage of expected net collections from a receivable pool, typically in the range of 50-80%, so that there is a safety margin in the event of default"; and (4) including "a covenant in the purchase agreement with the Provider that sates that in the event of bankruptcy [or default] the funding company immediately has rights to 100% of all cash collections on that receivable . . . as opposed to the normal entitlement of the advance rate plus funding fees only." (Ex. A at 6-7) At or about that time, I also received from Sun Capital as a part of their marketing of the factoring program a Sun Capital Healthcare Business Plan, a Sun Capital brochure explaining and promoting its services, and Sun Capital Financial Statements. True and correct copies of these documents are attached hereto and incorporated by reference, respectively, as Exhibit B, Exhibit C, and Exhibit D.

8. Thereafter, on December 20, 1999, a company called Stewards & Partners Limited was incorporated and organized under the laws of Bermuda. Stewards stated 'mission' was 'to provide high quality, value added investment and risk management services, and financial advisory and consulting services to qualified global investors.' A true and correct copy of Steward & Partners Limited Year 2001 Annual Report is attached hereto and incorporated by reference as Exhibit E. Stewards' financial statements reflect that Stewards was funded with an initial capital loan of $440,000 from Founding Partners Equity Fund, L.P., and an additional capital loan of $180,000 from Founding Partners Global Fund Class A (both loans having been advanced on or about July 2, 1999). (Ex. E)

9. At the time of its formation, Gunlicks, Baronoff, Koslow, and I all shared equal partnership interests in Stewards, and Gunlick, Koslow and I all served on Stewards' Board of Directors, (Ex. E). There was a general agreement among Gunlicks, Baronoff, Koslow and I that Gunlicks, through his Founding Partners entities, would administer the medical receivables responsibilities of the healthcare receivable funding operation, Baronoff and Koslow, through Sun Capital, would administer the factoring responsibilities, and I would act as the equity manager for the operation.

10. I placed my first of many clients assets in the Founding Partners Stable Value Fund after reviewing all of the documents provided to me by Gunlicks, Koslow and Baronoff and performing due diligence on both parties during my visits. Sometime in early 2002, Gunlicks, Baronoff and Koslow approached me about reducing my equal share in Stewards to 2%. In a phone conversation with Gunlicks I objected to this reduction, but documents were faxed to me by Gunlicks showing that I was out-voted by Gunlicks, Baronoff and Koslow. At the time I was essentially forced out of Stewards, Gunlicks estimated that he would be increasing "new loan investment funding" at a rate of $4,000,000 per month during years 2002 and 2003, nothing that such estimation was "determined after consultation with Howard Koslow and Larry Leader." (Ex. E at 10) Thereafter, I had virtually nothing to do with Stewards but performed multiple due diligence phone calls with Gunlicks throughout every year of our clients investments in Founding Partners and communicated with Founding Partners Chief Financial Officer, Judy Aller on a routine basis as well.

11. In October 2008, I called Gunlicks to discuss the memo sent out to Founding Partners dated September 8, 2008 concerning the underlying investment charged off by the Stable value Fund due to fraud by a hedge fund and its management. Gunlicks explained that this was

the last of the Hedge Fund investments made by the fund and that no additional investments would ever be made by the fund outside of the medical receivables parameters.

12. In December 2008 I called Gunlicks to see if he was still seeking investors for the Founding Partners Stable-Value Fund LP. Gunlicks told me that, although the Stable-Value Fund was experiencing a number of redemption requests, he anticipated that any potential issues caused by such redemption requests would be resolved no later than March 2009. He went on to state that he would not be able to meet any of the redemption request for the period ending December 31st 2008 but would be back on track in March because of new funding sources he had lined up.

13. Gunlicks further stated during the time any of Portfolio Management's clients' investment funds were committed to Stable-Value, Gunlicks would adhere to the strict criteria for investments and operations that were specified in the private placement memorandum. More specifically, before investing with Gunlicks and his entities, Gunlicks provided Portfolio Management's clients (through me and those under my supervision) a copy of the 'Confidential Memorandum of Founding Partners Multi-Strategy Fund, L.P.' and a copy of the 'Confidential Supplement to Confidential Memorandum of Founding Partners Stable-Value Fund, L.P.' In describing the investment strategies and programs identified in such Memoranda, Gunlicks specifically stated, among other things, that he could guarantee to Portfolio Management's clients:

(a) Any financial investment Portfolio Management's clients made would be, and remain, sufficiently collateralized at all times;

(b) Any financial investment in receivable loans Gunlicks made, through his control over the Management Company, would be of "investment grade" quality;

(c) Gunlicks, through his control over Management Company, would steadfastly maintain and observe a 'margin of safety' for all investment fund backed receivable loans by advancing no more than 80-85% of the net collectible value of any receivable loan;

(d) Gunlicks, through his control over Management Company, would impose and adhere to strict limitations on the aging of receivables whereby no receivable in the collateral base would be older than 150 days, and receivables reaching that age would be replaced with receivables less than 150 days old; and

(e) Funds invested in Stable Value would be liquid with redemption/ withdrawal available on a quarterly basis upon 60 days notice.

14. These representations were consistent with the risk management strategies Koslow described in the paper he wrote, and which Gunlicks had faxed to me on December 3, 1999. Of particular importance to my clients were the criteria that:

(a) Sun Capital would purchase only short-term (150 days or less) "investment grade" healthcare and commercial receivables with our invested Stable Value funds;

(b) Stable Value's interest in the receivables would be secured by a first lien and reflected by a recorded UCC-1 filing;

(c) Sun Capital would maintain a diversified receivables portfolio;

(d) Sun Capital's receivable factoring program would not expose the Portfolio Management's clients' investments to any financial market risk;

(e) Sun Capital's factoring receivable program was a low risk, liquid investment program that would be administered according to strict collateral, as well as other restrictive criteria, that would preserve the conservative nature of Portfolio Management's clients' investment.

15. Relying on the foregoing representations by Gunlicks and Sun Capital, Portfolio Management's clients agreed to invest in Stable-Value.

16. In 2009, I learned for the first time that approximately 80-85% of the receivables being purchased by Sun Capital were purchased from Promise Healthcare, Inc., a company formed by the principals of Sun Capital, using invested funds loaned by Founding Partners.[1] Equally as troubling, I found out that Sun Capital had used Portfolio Management's clients'

[1] In 2006, as part of my due diligence, I learned about the existence of Promise Healthcare. At that time, I questioned Gunlicks about the possibility of too much capital going to one entity. Gunlicks assured me that no loan proceeds would too heavily concentrated in any one entity.

investor contributed loan proceeds to purchase Sun Capital's equity interest in Promise and that a substantial portion of the receivables portfolio had been converted to higher risk, illiquid DSH payments and Worker Compensation receivables. I now also understand our funds have been used as working capital for the Promise hospitals, and for construction of new Promise hospitals.

17. Based on this information, I started developing concerns about Gunlicks's (through Management Company) operation of Stable-Value. My initial concerns were directed toward determining the actual liquidity of Portfolio Management's clients' investment and the revelation that Sun Capital appeared to be changing its business from a health care factoring entity to a company that owned hospitals. Related to this unease was that, what was once a portfolio of short-term, high quality receivables from predominantly independent entities had become a receivable pool of factored accounts receivables from hospitals owned by a related Sun Capital entity known as Promise. This lack of diversification and change in investment strategy was not disclosed and not approved by me or Portfolio Management's clients.

18. Gunlicks failed to disclose that Sun Capital's collateral was insufficient to support its outstanding loans; instead, Gunlicks falsely stated that Sun Capital continued to satisfy the stringent criteria Gunlicks described in connection with soliciting the Trust's initial investment funds. In fact, in the Performance Report of January 31, 2009, Gunlicks falsely represented that Stable-Value was performing well. A true and correct copy of the Performance Report is attached hereto and incorporated by reference as Exhibit F.

19. As a result of growing concerns about Gunlicks's management of Stable-Value, I requested (and Gunlicks provided) copies of Sun Capital's financial reports. True and correct copies of the financial reports provided by Gunlicks for December 31, 2008, October 31, 2008, September 30, 2008, and December 31, 2007 are attached hereto and incorporated by reference as

Exhibit G. The reports, which were unaudited and several months old, revealed that the value of the underlying accounts receivable on December 31, 2007 was $353,000,000, an amount equivalent to the line of credit from Stable-Value. The reports also showed, however, that by December 31, 2008 (just one year later), borrowings under Sun Capital's line of credit had grown to $537,000,000 but its accounts receivables lagged significantly behind at just $491,000,000—a negative difference of $46,000,000. Compounding the error of relying on old financial statements, in early 2009, Gunlicks inexplicably, and with financial information months old: (i) continued to communicate to shareholders that Stable-Value was profitable and performing on schedule; (ii) increased the Maximum Amount of Credit Sun Capital could borrow by 25,000,000, to $537,000,000; and (iii) extended the maturity on the loans to Sun Capital until 2013.

20. Sun Capital's unaudited financials further demonstrated that, in addition to the dissipation of the underlying collateral, Gunlicks (through Management Company) had conspired with Sun Capital to permit Sun Capital to deviate from the investment style and strategy Gunlicks and Sun Capital had represented to me would be used. Specifically, during the last four months of 2008, Stable-Value financed Sun Capital's purchases of significant amounts 'DSH' payments, none of which satisfied the "investment grade" quality Gunlicks and Sun Capital had promised to maintain. Having failed to tell me or Portfolio Management's clients about investing in such low-grade receivables, Gunlicks and Sun Capital also never told me or Portfolio Management's clients that such DSH payments introduced 'going concern' risks that were not part of any ongoing investment program ever described or disclosed to me or Portfolio Management's clients. According to records provided by Gunlicks, during the one-year period from December 2007 through December 2008, the amount of DSH payments ballooned from $87,500,000 on

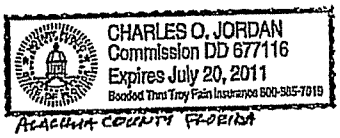
December 31, 2007 to $161,000,000 on December 31, 2008—an increase of nearly two times the December 2007 amount. A true and correct copy of such records are attached hereto and incorporated by reference as Exhibit H.

21. During this same time period (early 2009), Gunlicks was receiving requests from Stable-Value's limited partners, to exercise their right to withdraw the funds they invested. The right to withdraw investment funds at the end of any calendar quarter upon 60 days notice was one of the one of the most significant risk-management benefits (*i.e.*, measure of protection) that Gunlicks emphasized when trying to induce me to recommend investing in Stable-Fund to Portfolio Management's clients. Among other reasons, because Sun Capital had invested in longer term, riskier receivables, insufficient funds were available for the withdrawals requested by investors during the last quarter of 2008, and early 2009.

22. In an effort to salvage their financial empire, Sun Capital's principals now seek a recapitalization of Promise Healthcare. As part of such recapitalization, my (and other limited partners') status as senior and secured lender would be diminished to that of a junior and potentially unsecured lender with none of the protection promised under the original investment program, or provided in the Security Agreement. As a prelude to this recapitalization, several steps have been taken that are harmful to Portfolio Management's clients and other limited partners. For example, on June 6, 2008, Gunlicks elected to extend the final maturity date on the Sun Capital Healthcare, Inc. loans to February 1, 2013. Also, on a January 9, 2009, Gunlicks unilaterally executed an additional agreement that increased the Maximum Amount of Credit that could be extended to Sun Capital Healthcare, Inc. to $550,000,000—an increase of approximately $200,000,000 since December 31, 2007. A true and correct copy of the Amendment to Credit and Security Agreement is attached hereto and incorporated by reference as Exhibit I.

23. It was only in 2009, as a part of evaluating the recapitalization of Sun Capital and Promise, that I learned investor funds loaned by Stable Value to Sun Capital had been used by Sun Capital, and its principals to acquire equity interests in hospitals and other related party transactions that are contrary to the representations made by each, and the restrictions agreed to by Sun Capital in the Security Agreement. Defendants' conduct in this respect constitutes self-dealing. The undisclosed conversion of investor contributions from a first lien on secured accounts receivables to equity interests in Promise owed by the Sun Capital principals was never disclosed fully to me; is contrary to the representations made by Sun Capital and Founding Partners, and has resulted and will result in irreparable harm to Portfolio Management's clients if not restrained, enjoined and a constrictive trust imposed over the assets now held by Defendants. An accounting is required to determine the existence, nature, and amount of any collateral securing the use of investor funds by Sun Capital.

FURTHER AFFIANT SAYETH NAUGHT.



Robb W. Baldwin

SUBSCRIBED AND SWORN TO before me on this 20th day of July 2009, to certify which witness my hand and seal of office.

Notary Public

FOUNDING PARTNERS
CAPITAL MANAGEMENT COMPANY
Private Investment Management & Counsel
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1410.00
Charleston S.C.

TO: Robb Baldwin FAX #: 352-331-5830

COMPANY: PMR

FROM: Bill Gunlicks

DATE: 12-3-99 PAGE 1 OF: 17

COPY TO:

SUBJECT: Medical Receivables

Paper on the medical receivables business prepared by Howard Hoelow.

- Bill

EXHIBIT
tabbies
"A"

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SUN CAPITAL HEALTHCARE, INC.

MEDICAL RECEIVABLES

I Background

II Pricing & Structure

III Client Servicing

IV Risk Analysis & Protection

V Legal & Regulatory Issues

VI Operations Review

VII Summary of Key Functions & Features of a Medical Billing System

I. Background

Prior to July 1, 1966, most fees for medical services came from patients and some insurance companies such as Blue Cross/ Blue Shield and HIP. On July 1, 1966, the federal government implemented Medicare and shortly thereafter Medicaid. Medicare is fully funded by the federal government, and Medicaid is jointly funded by the federal government and the various states. The federal government administers Medicare and each state administers Medicaid. The states generate their own regulations for Medicaid under federal guidelines. The Medicare program required the government to contract with the various insurance companies to act as fiscal intermediaries between the federal government and health care providers. From 1966 through 1974 there was tremendous growth in insurance companies providing medical coverage. In 1973 Congress passed legislation creating HMO's, Health Maintenance Organizations. At this point in time there was a tremendous birth of third party health care insurers.

Today, Medicare, the nation's largest health insurance program, cover's over 37 million Americans age 65 and over and those with permanent kidney failure and certain disabilities. Medicaid, the second largest insurer, covers approximately 36 million individuals including children, the aged, the blind, and/or disabled, and people who are eligible to receive federally assisted income maintenance payments. The balance of third party payors consist of hundreds of insurance companies that today, cover over 85% of all medical fees and costs.

Healthcare providers, such as hospitals, nursing homes, physicians, labs, diagnostic centers, etc., are paid in some form or manner by these third party payors. Health care providers bill the patient charges, and most third party payors contract with these providers and pay less than the providers' standard charges. The difference between what the provider charges and the amount paid by the third party payer is known as a contracted allowance. In addition to contractual allowances there are co-payment and deductible amounts that are the responsibility of the patient.

For the factor to purchase provider **third party receivables**, it is very important to determine what is actually due from the third party payor, the contractual amounts, and what will ultimately be collected on each billing to the third party. In addition to the normal due diligence that a factor performs on its client, system reviews and evaluations are mandatory. In addition, the factor must understand all of the various reimbursement methodologies by the third party payors.

II **Pricing and structuring** - It is important to distinguish the percentages of assignable and non-assignable receivables in the pool to be funded.

A. Non-assignable receivables generally include Medicaid, Medicare and Champus. They are of higher credit risk because the government payors of these receivables typically require that all payments be made directly to the Provider and an increased credit risk on the Provider is taken with this type of receivable. Therefore, a weighted average overall advance rate which blends a lower advance rate of non-assignable receivables with a higher advance rate for assignable (non-government) receivables is a basic credit risk reduction technique, or an advance rate will be determined for each third party payor.

B. Determine pricing terms, whether the processing function has to be taken over by the funder, and potentially require the Provider to pay for the funding company's purchase of reinsurance against credit loss.

C. The key contracts which need to be signed typically include:

1. a purchase agreement for accounts receivable;

2. an assignment of title, right, and interest in and to the purchased accounts;

3. a claims processing agreement, if applicable;

4. a bank authorization letter, the purpose of which is to automatically transfer any Medicare, Medicaid, or Champus payments, as well as any payments from private payors incorrectly directed to the Provider rather than a designated lock-box from the Providers bank account to the funding company;

5. an agreement from the Provider to notify the funding company of, and accrue an interest expense on, all misdirected payments which are not forwarded within one or two days of receipt to the funding company;

6. a notice of sale and assignment from the Provider to notify all third party payors that the Provider has sold its right to the payments from their accounts and that they should now redirect all payments to a specified lock-box;

7. an opinion of the Provider's attorney stating, et al, that the Provider has the authority to execute the accounts receivable purchase agreement.

III Client Servicing

A. Having signed up a Provider as a customer, the next stage in a factoring operation is to set up the process of collecting cash from payors through a lock-box arrangement with a bank and then advancing cash against existing accounts receivable. Before any cash is advanced it is essential, in order to minimize Provider credit risk and payment delay, to ensure that cash collections from non-government payors do not flow to the Provider's bank account.

B. If funds were to flow directly from payors to the funding company (rather than to the lock-box) there would be a problem of the Provider taking credit risk on the funding company for the residual payments which it has to receive after the funder has received its advances and funding fees back. Essentially a commercial bank is used to accept all collections and remit the proceeds between the funding company and the Provider according to information provided either on (i) the amounts advanced, funding fees and specific receivable dates and numbers or (ii) more simply, authorization letters signed by both parties detailing the amounts to be remitted. In order to effect the lock-box arrangement it is very important to notify all third party payors to make future payments to a designated lock-box.

C. Management control and credit quality issues need to be continually monitored as do changes in pricing, advance rates and terms made to compensate for any deterioration in credit quality or changes in the competitive environment.

D. In addition to continually monitoring the Providers and their accounts receivable being funded, it may also be necessary, as part of funding agreements, to provide regular reports to lenders on financial performance and client and third party mix so as to offer comfort that covenants are being satisfied and to justify increases in the amounts being lent.

IV Risk Analysis and Protection

In addition to marketing, the key skill in the operation of a receivable funding company is risk management. This involves measuring, pricing, and processing risks both during the due diligence stages and on an ongoing basis. This is essential for reducing the risks and costs of accounts receivable defaults and Provider bankruptcy. Moreover, it is of great importance in giving lenders to a receivable funding company greater comfort over the risk of capital and thus the reduction of interest rates they charge. It also allows them to increase the degree of leverage which they will lend upon; both are very powerful ways of increasing the profitability of a receivable funding company.

These key risks and ways of protecting against them are detailed below.

A. Credit risk

This is the risk that the amount collected against the accounts receivable is less than the amount advanced on a non-recourse basis. In addition, even if the amount collected exceeds the cash advances, if the collections occurred at a much later date than expected, on a present value basis (i.e. net of the funding cost of these receivables), an economic loss will still occur. Be aware that a credit loss could arise because of several reasons:

1. the payor may claim that a procedure was inappropriate and refuse payment;
2. the procedure may not have been carried out at all by the Provider ie. Fraud;
3. the funding company may significantly underestimate the degree to which the amount billed for a procedure exceeds the amount which the payor is prepared to pay given its contractual or customary fee schedule with Providers;
4. a payor may go bankrupt.

B. Protection against credit risk

Sun Capital can mitigate against credit risk in the following ways:

1. Provider warranty: obtain a warranty from Providers that the work for which an invoice was submitted was both carried out and was necessary. If payment is denied for either reason Sun Capital can then exercise it's right under the warranty to sell back the receivable to the Provider at the same price (plus interest) which it paid for it. This protects against fraud by Providers and against the denial of payment at utilization review;
2. Portfolio diversification: only taking on as clients Providers with a diversified portfolio of payors and claims;
3. Credit checks on payors: At the simplest level this involves checking the credit rating of insurance third party payor. Additionally, the historic payment profile of these payors (both ultimate collection rates and the average days to collection), are useful indicators of the aggressiveness of these payors in both delaying payment and in

withholding payments. In particular, Medicare/Medicaid payments have become increasingly discounted and uncertain during the last year as government budgetary pressures have increased.

4. Overcollateralization: this means advancing as cash only a certain percentage of expected net collections from a receivable pool, typically in the range 50-80%, so that there is a safety margin in the event of default. This safety margin will vary depending on the payor mix, the Provider risk, the processor risk, as well as the fees being charged by the funding company;

5. Experience based funding: only advancing cash to Providers with an established record of collections (ie. Not to start-ups or Providers with inadequate records of billings and collections);

6. Structuring funding contracts with funding fees contingent upon the actual collection period.

C. **Legal Risk**

This is the risk that the Provider goes bankrupt. This can be a problem for several reasons:

1. Even if full legal security over the accounts receivable is held by the funding company, there may be other creditors with a prior claim, in particular the Internal Revenue Service for outstanding taxes and the third party payor for offsets.

2. Certain receivables cannot be assigned for legal reasons, or they may already have a lien against them owned by a bank. In particular, the Social Security Act has anti-assignment provisions for Medicare receivables which prevent them from being sold or offered as security.

3. Generally, if another party already has security over the accounts receivable, then this client is not accepted unless that party can be replaced totally, or will accept a subordinate claim on the assets. In some circumstances a funding company might hope to replace a bank as a funding source to a Provider by being prepared to offer a larger advance against the accounts receivable than a bank might be prepared to. This might be possible because of the funding company's greater knowledge of the risks attached to these receivables.

4. Even if legal title over the accounts receivable is held by the funding company, and there are no prior claims for the security, a major problem can still arise in the event of Provider bankruptcy. In some cases when this occurs, payors use it as an excuse to delay payment and even totally refuse payment based on fabricated arguments that the procedures billed were overcharged, not performed, or not necessary. In attempting to enforce payment, significant legal expenses are likely to be incurred. The economic value of the receivables will have been greatly diminished by the time

that collection occurs, unless interest costs are awarded.

D. Protection against legal risk

To protect against the risk of Provider bankruptcy it is important to:

1. conduct a credit analysis on the Provider using historic financial statements, interviews with the Provider, market analysis, and other standard credit evaluation techniques;

2. ensure that there are no other liens against the accounts receivable;

3. ensure that the purchase agreement is one which will be construed as constituting a legal sale of the ownership of that receivable;

4. only fund claims of a sufficiently large size to make legal enforcement cost effective;

5. attempt to obtain additional security (which may potentially be triggered on a contingent basis) to cover expenses incurred in the event of bankruptcy, such as collateral on property and personal guarantees;

An idea to reduce Provider bankruptcy risk, which to Sun Capital's knowledge is not currently employed by any of the funding companies in the marketplace, is to have a covenant in the purchase agreement with the Provider that states that in the event of bankruptcy the funding company immediately has rights to 100% of all cash collections on that receivable (or at least an additional fee to protect against additional accrued interest and legal fees), as opposed to the normal entitlement of the advance rate plus funding fees only. The benefit of this structure is that the funder is protected to an increased degree against greatly delayed payments from payors which may occur in the event of Provider bankruptcy. This may not be allowed in all jurisdictions.

E. Processing Risk

This is the risk that the claims processor used by the Provider does not perform its collection function in an efficient manner, and, hence, the eventual cash collections take place later than expected resulting in a decrease in their value. In extreme circumstances an incompetent processor could lose claims records resulting in nonpayment of receivables against which cash has already been advanced.

An additional, and equally important risk, is that the data supplied by the processor to the funding company on historic collections, billings and current billings is inaccurate. This can result in an increased credit risk which might not be detected by the funder early in the due diligence process.

F. Reducing processing risk

The following methods can be used to reduce this risk:

1. Use of external claims processor. The claims processor could be in-house, an external third party, or an external processor controlled by the funding company through ownership or on a contractual basis. In order to minimize the risks described above the most effective strategy is to have the claims processing carried out by an external processor controlled by the funding company since control over the quality and effectiveness of the processing function is then much easier. Moreover, it becomes easier to tailor the structure and timeliness of reports more closely to the needs of the funding company, hence increasing the accuracy of the ongoing credit evaluation process.

2. If the Provider refuses to relinquish control of the claims processing function, HCI could structure its funding fee to be contingent upon the speed of collection whereby the fee would increase as the days outstanding of the receivable increased. Hence, this would force the "claims processing" to be conducted in the most efficient manner as incentives for timeliness would be more closely aligned.

3. Some funders view processing risk so important they will refuse to take on a client unless that Provider agrees to hand over control of the processing function. Other funders are content to conduct a due diligence process on the efficiency of the existing processor or in-house processing department used by the Provider.

4. Back claims processor. This is valuable in the event of catastrophic failure, due to fire or systems failure of the main claims processor.

V. Legal and regulatory issues

The following is a description of the key legal and regulatory requirements and issues for a healthcare receivable funding company.

1. Legal issues

(a) Fraudulent claim submission

Sun Capital will be subject to criminal, civil and administrative penalties under Federal and state law prohibitions if it submits to a payor false claims produced by a Provider after purchasing these claims. However, generally, criminal penalties subjecting participants to fines and imprisonment require that the entity act knowingly, willfully or with fraudulent intent.

This standard might be met if an agent or Sun Capital prepared and filed false claims or was aware of false claims initiated by clients for sale. Moreover, Sun Capital could even be viewed as conspiring to defraud Medicare or another third party payor, or as aiding and abetting the client in a criminal billing scheme, if it was aware of the inaccurate nature of the claims being submitted.

To reduce this risk Sun Capital will conduct due diligence in its normal

course of business to establish the validity to the Provider's claim prior to closing of the purchase agreement. Sun Capital will also require the Provider to warrant that the procedure for which the claim will be purchased was in fact performed by the Provider at the specified date prior to the purchase of the claim.

Civil statutes provide for penalties in excess of $10,000 per claim, including submitting claims with "reckless disregard" of the truth or falsity of submitted information. The Federal civil money penalties statute provides for civil penalties of up to $2,000 per claim (plus an assessment of twice the amount claimed) against anyone who presents or causes to be presented a false or improper claim under Medicare or Medicaid, including funding agents. Liability is imposed on persons who "know or should know" that a claim is "false" or "fraudulent" or for services "not provided as claimed." Similarly, penalties of $5,000-10,000 per claim may be assessed under the Civil False Claim Act. In addition, Sun Capital is subject to criminal laws regarding failure to disclose known overpayments under Medicare and/or Medicaid.

(b) Anti-kickback rules

The Social Security Act imposes criminal penalties upon persons who make or receive kickbacks, bribes or rebates in connection with the Medicare and Medicaid programs. These anti-kickback rules prohibit individuals and entities from knowingly and willfully soliciting, offering, receiving or paying directly or indirectly any remuneration in return for (a) referring someone for a good, facility, service or item, (b) purchasing, leasing, ordering or arranging for a good, facility, service or item or (c) recommending that an individual purchase, lease or order a good, facility service or item reimbursable under Medicare or Medicaid.

An example of these anti-kickback rules would be providing anything of economic value to a Provider, in return for influencing their decision to enter into a funding contract. The Medicare program continues to actively enforce the anti-kickback rules, and has instructed Medicare carriers to add separate units to review claims for possible fraud and abuse. Violations of any of the statutes above or other such activity by an officer or a stockholder with a 5% or greater interest in the company which results in the exclusion of such stockholder from Medical or Medicaid due to violation of a statute could lead to Sun Capital's exclusion from processing claims under these programs.

(c) Debt collection regulations

Sun Capital, if it were to enter the debt collection side of healthcare claims management, would also be subject to certain Federal, state credit collection agency laws, and Federal and state anti-trust laws. The Federal Fair Debt

Collection Practices Act (the Federal Fair Debt Act) sets forth various provisions designed to eliminate abusive, deceptive, and unfair debt collection practices by debt collectors. The federal Fair Debt Act also provides for a civil right of action against any debt collector who fails to comply with its provisions. Various states also have promulgated laws and regulation that given credit collection practices.

In general these laws and regulations prohibit certain fraudulent and oppressive credit collection practices and may impose license or registration requirements upon collection agencies. In addition, state credit collection laws and regulations generally provide for criminal fines, civil penalties, injunctions and jail terms for collection agencies who fail to comply with such laws and regulations.

Although Sun Capital does not intend to initially provide past due or delinquent credit collection services, the funding services it provides may be subject it to regulation as a "debt collector" under the Federal Fair Debt Act and as a "collection agency" under certain state collection agency laws and regulations.

2. Regulatory issues

(a) Medicare

The Medicare program is administered by the Healthcare Financing Administration ("HCFA"), a division of the U.S. Department of Health and Human Services. HCFA has established guidelines pursuant to which claims for physician services are reimbursed in accordance with a "resource-based relative value guide", the values of which vary by geographic location. HCFA currently contracts with 50 insurance carriers to process regional reimbursement claims. Although HCFA has established the regulatory framework for Medicare claims administration, Medicare intermediaries such as these have authority to independently develop procedures for administering the claims reimbursement process.

(b) Medicaid

The Medicaid program is subject to federal regulation but is administered by state governments. State governments provide for Medicaid claims reimbursement either through the establishment of state-owned and operated processing centers or through contractual arrangements with third-party administrators. The requirements and procedures for reimbursement implemented by local Medicaid program administrators differ from state to state.

(c) Anti-Assignment Provisions

The Healthcare Financing Administration's Code of Federal Regulations, (parts 42 424.73 and 447.73) prohibits the reassignment of payments (and hence offering security on these receivables to funding companies) for Medicare or Medicaid services to anyone other than a Provider or recipient. The only exception to this rule is that Medicare may pay an agent who furnished billing and collection services to the Provider if all of the following conditions are met:

(1) The agent receives the payment under an agency agreement with the Provider;
(2) The agent's compensation is not related in any way to the dollar amounts billed or collected;
(3) The agent's compensation is not dependent upon the actual collection of payment;
(4) The agent acts under payment disposition instructions that the Provider may modify or revoke at any time; and
(5) The agent, in receiving the payment, acts only on behalf of the Provider.

Even if all these conditions are met, payment to an agent must always be made in the name of the Provider. The practical effect of all this is to preclude a funding company from taking security on Medicare and Medicaid receivables and from offering performance based collection incentives to claims processors for these receivables.

(d) Physician services reimbursement

The current Medicare laws, which became effective January 1, 1992, and were fully phased-in by July 1, 1996, mandate that hospital-affiliated physicians be reimbursed for services to Medicare patients on the basis of fee schedules. This system of reimbursement is known as "Resource Based Relative Value Scale" ("RBRVS") reimbursement.

Until phased-in to RBRVS, physicians were reimbursed by Medicare at rates which vary from target rates in the fee schedules, depending upon physicians' geographic locations and historical payment bases. Because of the replacement by RBRVS of the former fee-for-service reimbursement system, the aggregate fee payments from Medicare to physicians will decline by up to 14% by the end of the phase-in period. Certain physician specialties such as anesthesiologists, radiologists, and pathologists will experience the greatest decline in Medicare fee payments under the fee schedule revisions for 1993.

Further, certain physician services performed in a hospital outpatient department which were commonly performed in physicians' offices are being reduced by an average of 21% by the fee schedule. The net effect on

Medicare reimbursement to a physician regardless of specialty is dependent in large part on the percentage of services by a Provider which are "evaluation and management" services as opposed to those that are procedural in nature. Accordingly, physicians providing a higher percentage of evaluation and management services, such as office visits, hospital visits and consultations, may obtain an increase in Medicare reimbursement.

Congress adoption of Medicare Volume Performance Standards in 1989 also affect payments. Volume Performance Standards are currently being developed to control the number of services offered by physicians to Medicare patients.

(e) Hospital service reimbursement

The ownership and operation of hospitals is subject to comprehensive regulation by federal and state governments, which can adversely affect claims processors and funders. In April 1983, the Social Security Act was amended to establish a "prospective payment system" (PPS) for reimbursement of operating costs of hospitals. Under PPS, hospitals are paid a predetermined amount for operating expenses relating to each Medicare patient admission. The reimbursement amount is set on the basis of the patient's diagnosis irrespective of the actual costs incurred.

Beginning in 1991, the previous cost-based payment methodology for inpatient hospital related costs was being changed over a ten year transition period to a fully prospective payment system for capital costs. Further changes in reimbursement provisions are expected which may reduce the rate increase of federal expenditures for hospital inpatient costs. Such changes will likely have an adverse affect on hospitals in general, and reduce revenues to claims processors per account. At the same time, these changes may increase the number of hospitals demanding processing and receivable funding services.

The activities of peer review organizations and other public and private agencies reviewing utilization of hospital services may cause hospital-affiliated physicians to reduce the number of patient admissions and to monitor more closely the amount of services and procedures ordered for patients as well as the average length of stay at hospitals. Such factors would reduce the amount of reimbursement hospitals will be able to obtain for services provided.

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See summary of key functions and features of a medical billing system as a guide for this evaluation.

(a) comparing the potential client's billing and collection performance (cut by payor class, procedure/DRG code and inpatient/outpatient division), patient mix, and profitability, against a set of norms for similar Providers as well as against the same Provider historically. This benchmarking will be useful for identifying any unusual variances in the Provider's collection history both currently and in looking at trends over time;

(b) obtaining a list of contractual allowances for different procedures and per diem rates for the major relevant payors. In addition any summary statements from payors detailing claims rejected, pended and denied, and any reasons given for such actions can also be very useful if it can be obtained;

(c) obtaining information on the tracking capabilities and overall efficiency of the claims processing system currently used, trends in unbilled accounts receivable, use of collection agencies, write-off policies for bad debts, number of billers and collectors employed, the first time acceptance rate with major carriers, and the time delay between rejections and rebilling;

(d) holding interviews with the Provider to obtain confirmation and explanation of any significant factors impacting the credit evaluation as well as discussing other forms of funding which the Provider might be considering;

(e) potentially verifying specific accounts receivable to be funded by directly contacting the patient via mail or phone contact;

The output of this stage of the process is an estimate of both the total amount of cash collections and the time to eventual collection of the receivable. The combination of these two estimates is used to produce an estimated value of the receivable purchased, and hence are key inputs into the advance rate and fee charged.

At the most basic level the expected net cash collection is calculated by multiplying (for each payor class) the Provider's historic gross collection percentages by the gross value of the receivables to be sold. Alternatively, an adjustment can be made for contractual allowances of each receivable within a batch from the gross value of that receivable and then this value is then multiplied by the historic net collection percentages of that Provider.

The second of these two techniques (the adjusted value), while involving more work and cost, offers more protection against higher credit risk being borne by the funder when changes in reimbursement rates of payors occur but are not matched exactly by changes in the billing rates of Providers. If reimbursement rates are falling, for instance, but the Provider continues to bill at the same rate, then potentially too high of an advance rate will be used by the funder.

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VI

SUN CAPITAL HEALTHCARE, INC.
OPERATIONS REVIEW

CLIENT ID NUMBER #_____

I. Credit Evaluation

A. Conduct a preliminary credit analysis of the Provider and the accounts receivable to be purchased and obtain the following:

1. the last three years and most recent interim financial statements and tax returns of the Provider, in order to make a general assessment of Provider creditworthiness;

2. a copy of the Articles of Incorporation or Partnership Agreement for assessing local risks;

3. the latest accounts receivable aging analysis broken out by payor class to assess the quality of the specific receivables likely to be financed;

4. the last 6 months to one year of billings and collections broken out by payor class in order to get a general idea of historic credit risk on the accounts receivable and potentially quote an estimated advance rate;

5. credit references and litigation checks. In particular checking whether there has been any history of bankruptcy or Medicare/Medicaid fraud;

6. outstanding liens against the accounts receivable.

B. If the potential customer is not ruled out in the preliminary stage above, then conduct **detailed due diligence** on:

1. the Provider's creditworthiness and accounts receivable valuation;

2. the Provider's management controls for accounting and claims processing (or their processor's controls, in the case where processing is currently, and will continue to be, outsourced by the Provider);

3. perform an on-site evaluation visit by the funder to the Provider and, if separately located, the claims processor of that Provider. Consider outsourcing some of the detailed due diligence process to an external claims processor.

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VII A summary of key functions and features of a medical billing system:

FUNCTIONS:

1. Patient Registration
2. Billing
3. Accounts Receivable
4. On-Line Collections
5. Revenue Reporting
6. Bad Debt Tracking

FEATURES:

1. On-Line patient registration including:

   - Patient/Guarantor Demographics
   - Insurance data - unlimited carriers
   - Billing data

2. Printing of the following registration/admitting forms:

   - Face Sheets
   - Labels
   - Admission Notices
   - Others as specified

3. Patient data recall by:

   - Account Number
   - Name
   - Medical Record Number
   - Others as specified

4. On -line charge entry with the ability to maintain both a standard charge per service and an unlimited number of discounted charges by patient type and financial class.
5. Ability to maintain a variety of insurance billing codes (CPT, MediCal, etc.) by patient type and financial class.
6. Account transaction detail maintained on-line with the ability to recall detail or summary information.
7. Payment posting either in batch mode or by account with the ability to display patient name, balance, service dates, patient type, financial class, etc.
8. Daily reports to include:

- New Patient List
- Daily Batch Journal
- Cash Receipts
- Adjustment Journal
- Accounts Receivable Summaries

9. Bill Processing on either a batch or demand basis to produce the following:

   - Statement of services
   - HFCA 1500
   - Medicaid

10. Produce billing tapes for electronic claims submission for Medicare and MediCal.
11. Produce audit reports for accounts with missing billing data.
12. Account Aging reports with the ability to produce exception reports by:

    - Financial Class
    - Patient Type
    - Account Balance
    - Insurance Carrier (contract)
    - Account Age
    - Others as specified

13. Collections "tickler" system with an on-line Menu-of-Account for each account representative.
14. Ability to enter free form notes on patient accounts.
15. Ability to generate collection letters and follow-up statements on demand or via an automatic follow-up cycle.
16. Account review dates assigned automatically with the ability to manually override.
17. Revenue and service reporting by transaction code on gross and/or net charges.
18. Maintenance of separate Bad Debt Accounts Receivable by agency.
19. Automatic Bad Debt account write off based on user defined criteria.
20. Collections Agency statistics reports.

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SUN CAPITAL HEALTHCARE, INC.

Business Plan

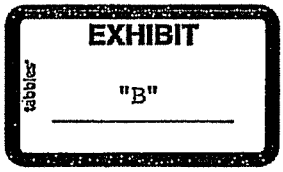


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I. Executive Overview

A. Summary of Business & Business Model

Sun Capital Healthcare Inc., (Sun Capital Healthcare), has identified a significant market opportunity and developed a strategy ideally suited for providing funding to the medical community through Factoring. Factoring in the United States is a $100 billion market; however, medical receivables are a small percentage of this market. The need for medical receivables funding has not been met by the factoring industry. A common theme woven within the Factoring community is the lack of expertise to provide services to the healthcare industry.

Sun Capital Healthcare plans to address this market need. The program will:

Provide funding for medical providers.

Provide insurance for all receivables.

Provide full back office processing for all receivables.

Sun Capital Healthcare's goal is to lead the Factoring market in terms of:

Competitive rates on funds in use.

Funding the needs of the medical community.

Regular auditing procedures.

State of the art processing systems.

While funding sources do exist for some medical Factoring, in most cases these entities provide limited lines of credit. The fact still remains however, eventually the Factor will maximize his/her credit availability, thus ending the growth potential of the business. In addition, medical receivables are not readily insurable in the current market place.

This creates an attractive investment opportunity. Since advance marketing has already begun, quick time to market will be crucial for success. Sun Capital Healthcare has created its prototype operation. Sun Capital Healthcare now seeks the ultimate funding source, which through asset backed securitization, will fund the factoring operations. Market entry plans target an already established list of medical providers seeking funding.

B. Sun Capital Healthcare- The Entry Product

Sun Capital Healthcare's first product is its prototype, essentially designed to test systems and controls. This trial phase has stress tested all processes involved in diligence, auditing and funding.

II. The Company

At this point it becomes imperative to define those terms and concepts applicable to the process known as Factoring.

1. The Factor (Sun Capital Healthcare) – The Factor is the person or entity, which engages in the business of providing cash flow to businesses by "asset based" funding. The process is neither a loan nor a debt of any kind, it is in fact a ***purchase*** (actual transfer of title) of accounts receivables in exchange for cash. The process involves two stages; the advance, which immediately funds a specific percentage of the face of the invoice; and the reserve, which is paid to the Factored client upon the Factor's receipt of full payment by the obligor (less pre-arranged fees). The full process for this funding follows.

2. The Agreement – Businesses, which desire to Factor their receivables, will first sign an agreement with the Factor. This document will include the following: a) guaranteed completion of work or services, or delivery of goods in acceptable delivery form and condition, for each invoice Factored b) guaranteed assignment of payment and transfer of title to Factor, upon Factor's receipt and funding of acceptable invoices c) acceptance of a UCC-1, first lien on all receivables owned by that Factored client, as security for payment of each Factored receivable both in part or its entirety d) acceptance of terms and conditions regarding fees to be paid by Factored client e) agreement for full, modified or no recourse, with respect to defaulted payments f) acceptance of general procedures associated with bank transfers, wire, and routine business transactions.

3. Invoice Available For Funding – Upon completion of work, services, or delivery of goods, the Factored client will fax an invoice to the Factor for funding. The invoice is on the letterhead of the Factored client, and will contain all the information needed for proper presentation to the obligor.

4. Underwriting – The invoice is forwarded to the Factor's underwriting department for appropriate due diligence on this particular item. This department will ascertain if this obligor pays on time and if in fact the invoice is insurable. D&B data is used for collection of such information with the underwriter's full understanding of insurance requirements. Upon primary acceptance of this invoice, an "assignment/verification" is produced.

5. Assignment/Verification (N.O.A) – A fax is then sent to the obligor in order to ascertain that the service was performed, or goods were delivered in appropriate condition. This communication also requires the obligor to acknowledge that this bill has been assigned to the Factor, with the exception of certain third party payors such as Medicare and Medicaid, and payment will be made as per included instructions. According to the terms of the invoice (30, 40, 45 days) the obligor will make payment payable to the Factored client, however it will be sent to the Factor's bank. The Obligor "signs off" that work was completed, acknowledges N.O.A (notice of assignment), and faxes the same back to the Factor. This entire process is expedited by phone contact with the obligor confirming receipt of fax and getting verbal affirmation that the customer is "real" and understands the terms of payment. Authorized personnel sign the return fax.

6. Underwriting Again – The underwriter now acquires the insurance on the invoice, once again confirming the creditworthiness of the obligor. Authorized personnel then review the completed package and signatures are applied to prepare for funding.

7. Funding – The entire advance, i.e. 80% of the invoice, is sent out by bank wire to the Factored client. Upon payment of the receivable by the obligor, the Factored client receives the reserve, less appropriate fees.

This entire process can usually be completed in a matter of two hours, very often in less time. Also note that when invoices to previously contacted obligors are Factored, the process is completed in under an hour. Insurance is provided for the total amount of the advance, usually 80% of the face of the invoice. Each Factor has his Factored client's reserves from other obligors, as collateral for the balance of the face value of the invoice. Depending on the extent to which the Factor has recourse, "bad" receivables can be exchanged for "good" ones, or actual cash could be required to cover any losses. In most cases, modified or full recourse agreements, as shown above, are required with non-insurable receivables.

A. Product Strategy

Sun Capital Healthcare's product strategy is to acquire funds through ***asset backed securitization.*** Receivables, insured only, will be purchased from Factored clients, by a trust and kept in trust, in order to collateralize the investors' principal. Sun Capital Healthcare, as agent for the trust will service the receivables, to include all diligence, insurance and auditing. This securitization process is very common to the investment community and has been around since Fannie Mae provided liquidity to the mortgage market over 30 years ago. As a receivables servicing company Sun Capital Healthcare has principals that have years of receivables servicing experience and underwriting expertise affording it's servicing operations the depth of knowledge needed for a successful business.

1. Application Development

Flow charts have been developed for the entire Sun Capital Healthcare program identifying software requirements, as well as hardware needs. The various modules needed for this application have been identified and are in final development stage. The following chart (appendix 1) shows the controls, as well as the movement of funds and invoices.

B. Management Team

Peter R. Baronoff, CEO, has utilized his entrepreneurial and management expertise to direct the Company. Mr. Baronoff has spent the past ten (10) years in a Senior Executive capacity as Chief Executive Officer, Corporate Director and President, providing equity capital, financial management and restructuring expertise to operating companies nationwide, including start-ups and troubled businesses.

In 1987, prior to Mr. Baronoff's founding the Company, he was President and founder of Blair Importers, Ltd., a leading national importer of wine and liquor brands from major international competition.

Mr. Baronoff has also served as President of Cordoniu USA, a subsidiary of a Spanish company, and as Executive Vice President for Guinness PLC. As Chief Executive Officer and President of Dev-Tech Corporation d/b/a Florida Growth Capital, Inc., a NASDAQ listed company, Mr. Baronoff was retained by the Company's Board to redirect the company and increase shareholder value. Mr. Baronoff is currently Chairman of the Board of Directors of Biolok International, Inc., a NASDAQ listed company.

Howard B. Koslow, President, has held several executive management positions with two of the leading companies in the real estate industry.

Mr. Koslow has developed a national reputation as a skilled financial manager and analyst. Mr. Koslow is a member of the Board of Directors of Biolok International, Inc., a NASDAQ listed company. He is also Director of the Commercial Finance Association. Previously, Mr. Koslow served as Executive Vice President and Chief Operating Officer of Dev-Tech Corporation d/b/a Florida Growth Capital, Inc., a NASDAQ listed company. Prior to 1995, Mr. Koslow was Chief Financial Officer of Solow Management Corporation, a prominent New York City real estate owner and developer.

From 1987 through 1993, Mr. Koslow was Vice President and Controller of Olympia & York Companies (USA), and international real estate owner and developer, where among his many responsibilities, he directed the financial administration activities for the Company's U.S. joint venture investments, aggregating several hundred million dollars. Mr. Koslow was a practicing accountant and financial advisor for a number of years in senior level management positions with prominent Certified Public Accounting firms, servicing a broad base of industries.

Lawrence E. Leder, Executive VP and CFO, has been involved in servicing the healthcare industry for over thirty (30) years. Mr. Leder was in charge of the nationwide audit of the Medicare program, when he was a supervisory auditor for the U.S. General Accounting Office (GAO). He provided testimony to the House Ways and Means Committee regarding the implementation of this new program.

Mr. Leder left the GAO to go into his own healthcare consulting practice and was subsequently recruited by Coopers & Lybrand, one of the Big 8 accounting firms at that time. Mr. Leder was the healthcare manager and reimbursement specialist for five (5) years for the New York office of Coopers & Lybrand.

In 1983, Mr. Leder left Coopers & Lybrand to continue his own healthcare consulting business. His major client was the Archdiocese of the City of New York, which included providing management, rate setting and reimbursement services to Cardinal Cook Health Center, St. Claire's Hospital, Cabrini Hospital, St. Vincent's Hospital and Our Lady of Mercy Hospital. Mr. Leder has also been very active in supplying testimony to various state rate-setting Commissions for the Medicaid program.

In 1995, Mr. Leder turned his attention to the factoring industry, and in particular medical receivables. He has provided consulting services to various banks and other asset based lending institutions regarding valuation and collectability of medical receivables.

Mr. Leder is a Certified Public Accountant with degrees from N.Y. Tech and St. John's University.

C. *Organization*

Sun Capital Healthcare, Inc. is established as a "C" Corporation, incorporated in Florida, and its offices are located within the Boca Raton area. The Company believes that this geographic location will provide the middle management, and clerical personnel necessary for the daily functioning of this business. Senior management and other key personnel have already been identified and are in place.

Sales and marketing have already begun on a limited basis. Marketing has been very simple thus far, as the need for funding in the healthcare industry grows daily.

D. *Risks*

Although a great deal of planning and market research has been done in order to have a successful and profitable business, there are no guarantees or assurances regarding the creation or success of this business venture. The following should be noted with regard to investment returns. During the full release of the product, when securitized funds are used, minimum use of funds must be maintained. If low utility is prevalent for any extended period of time, principal must be returned to the investors in the trust by a "call" on bonds. This will insure profitability of the trust, as well as funding for debt service. Redemption of bonds prior to the anticipated maturity will reduce anticipated returns. Profitability is fully dependent on the percentage of funds in use. Sun Capital Healthcare will pay approximately 12.5% for their funds. The company believes that a fair estimate, based on the Factoring industry in general is 65% to 75% usage of funds.

The trust will concentrate on the healthcare industry when purchasing receivables. Diligence in evaluating receivables will consist of verification of performance or delivery, determination of net collectable value, federal payroll taxes and union dues monitoring, payment history and aging considerations and general financial statement evaluations on obligors, as well as factored clients. All attempts will be made to detect fraudulent submission of receivables for payment using previously mentioned industry standards of diligence. No guarantees, however, can be made regarding fraudulent receivables funding attempts.

Economic cycles occurring throughout the life of the trust can influence factored clients toward, or away from factoring as a means of business financing. As factoring clients decrease or increase due to these economic events, utilization of funds in the trust will vary. Less utilization could generate an early distribution of principal to bond holders. Interest rate fluctuations could effect the formation of additional trusts in the future.

E. *Target Market*

The targeted market for Sun Capital Healthcare is for the healthcare industry. This industry is currently underserviced by the factoring community, as explained earlier in the business plan.

Sun Capital Healthcare will actively market to Factoring brokers. Brokers bring deals to Factors for which they receive a commission. Sun Capital Healthcare has a vast nationwide network of brokers that currently supply clients to Sun Capital, Inc., a related company to Sun Capital Healthcare, for its commercial factoring operations.

III. Competitive Analysis

A. Competition

This is the first entry into the general receivables market, with insured collateral specifically geared toward medical receivables. There is therefore no competition for this endeavor. Sun Capital Healthcare will surely maintain strong market share, with a real possibility of gaining more servicing business from other underwriters.

IV. Marketing & Sales

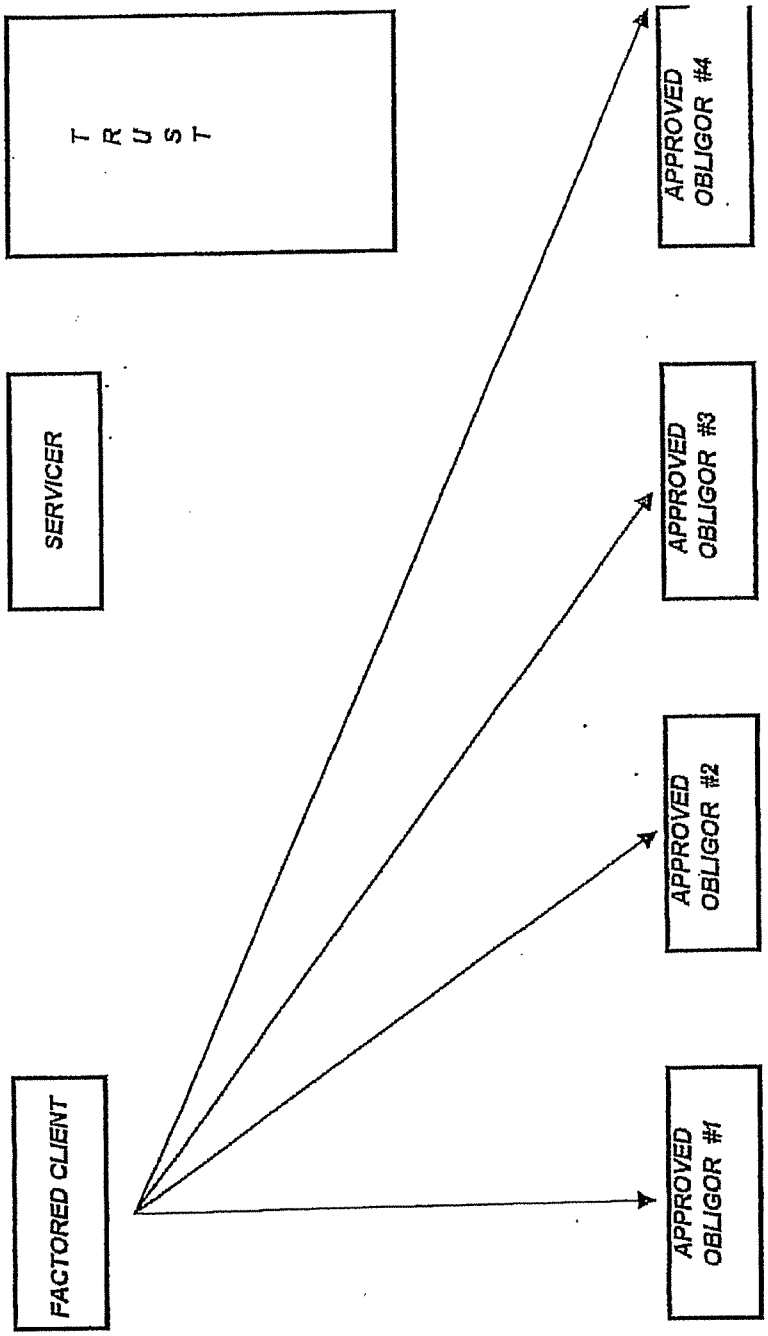
Sales Strategy

Our management team provides many marketing insights. It is well understood in the Factoring industry that when one has availability of funds, the market will find you. However, advertisement in journals and other publications, participation in annual and regional conventions and focused sales effort directed toward the healthcare industry will all add speed to the success of this operation.

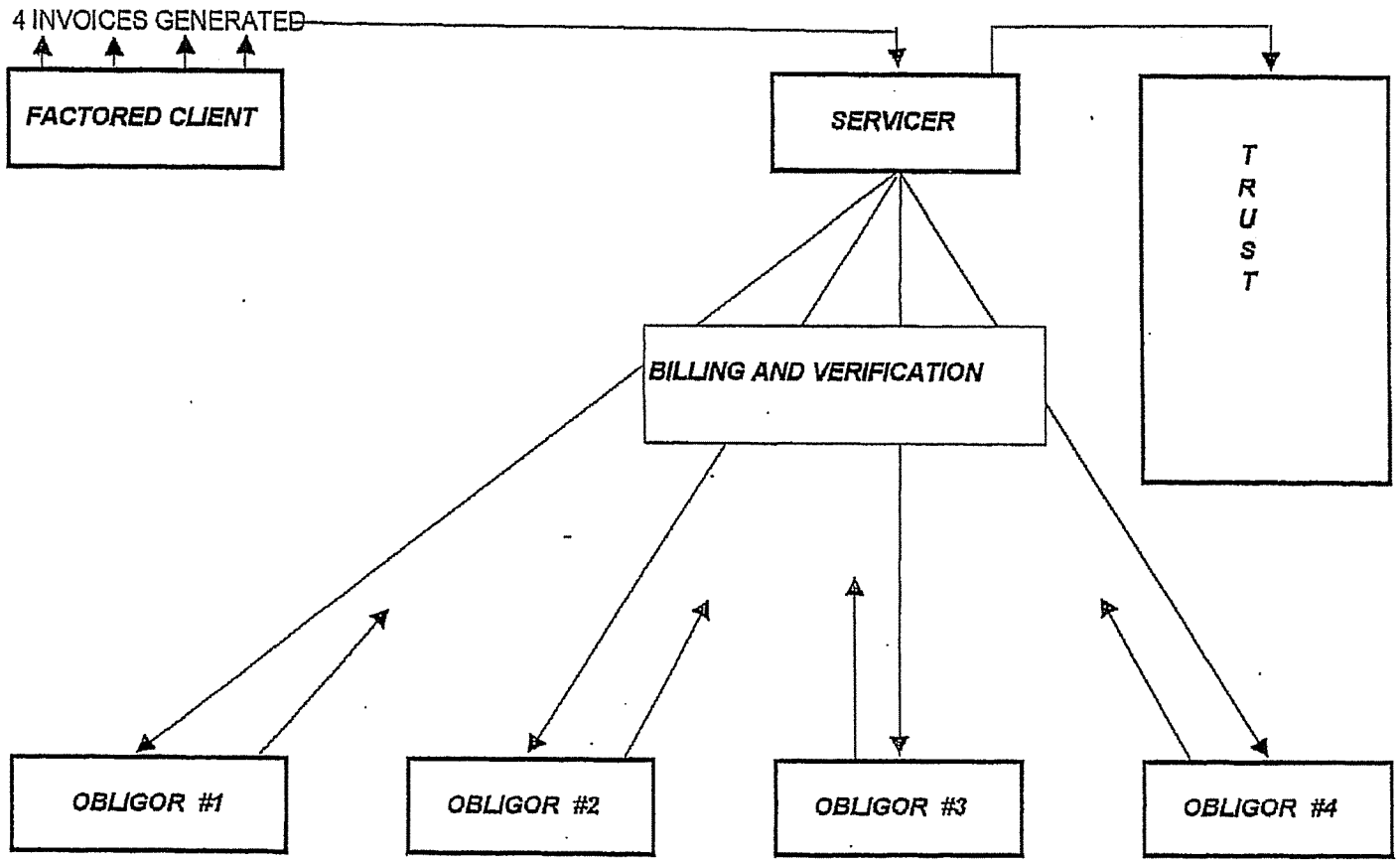
SUN CAPITAL HEALTHCARE INSURED RECEIVABLES TRUST

FLOW CHART

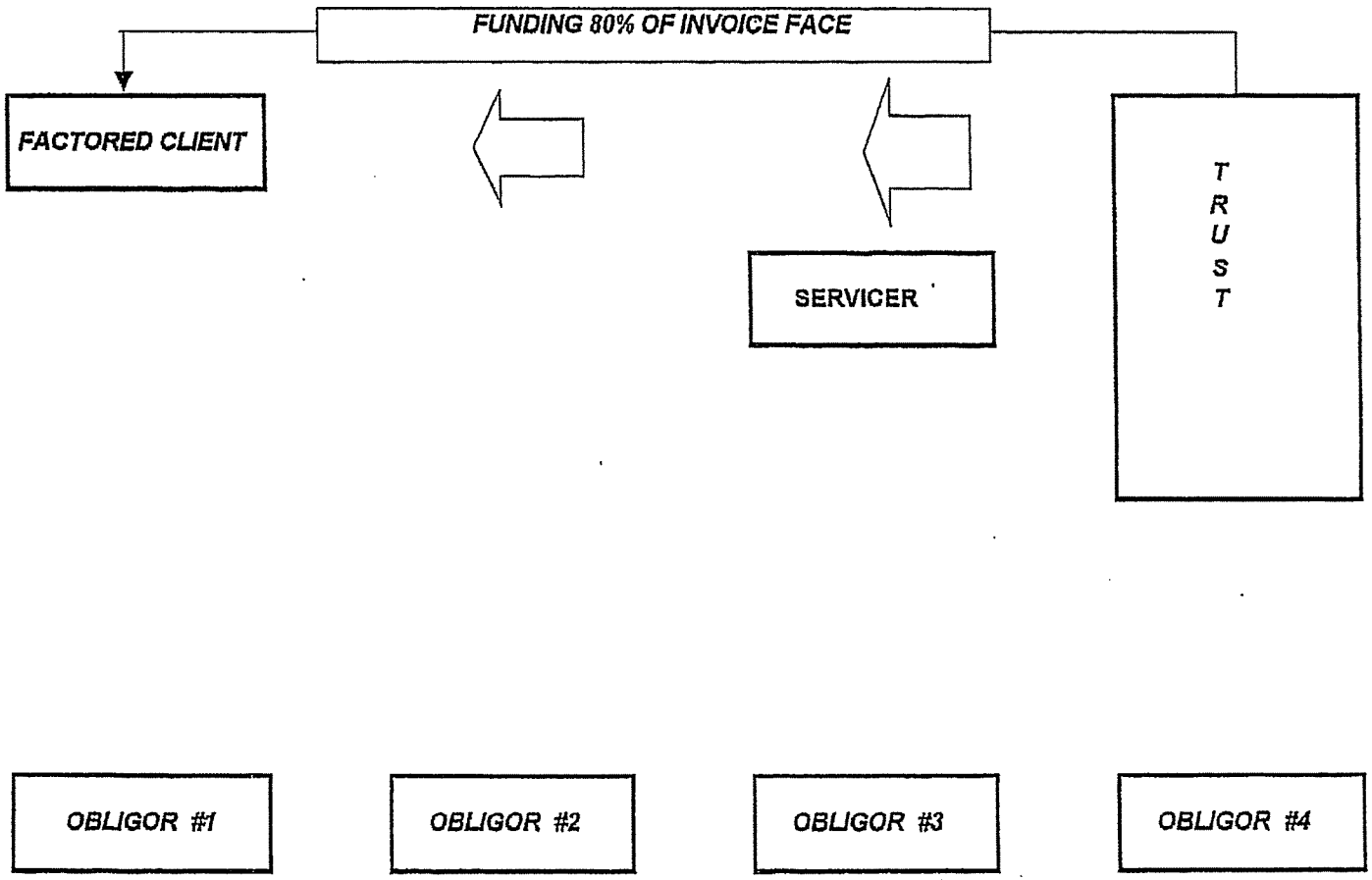
APPENDIX 1



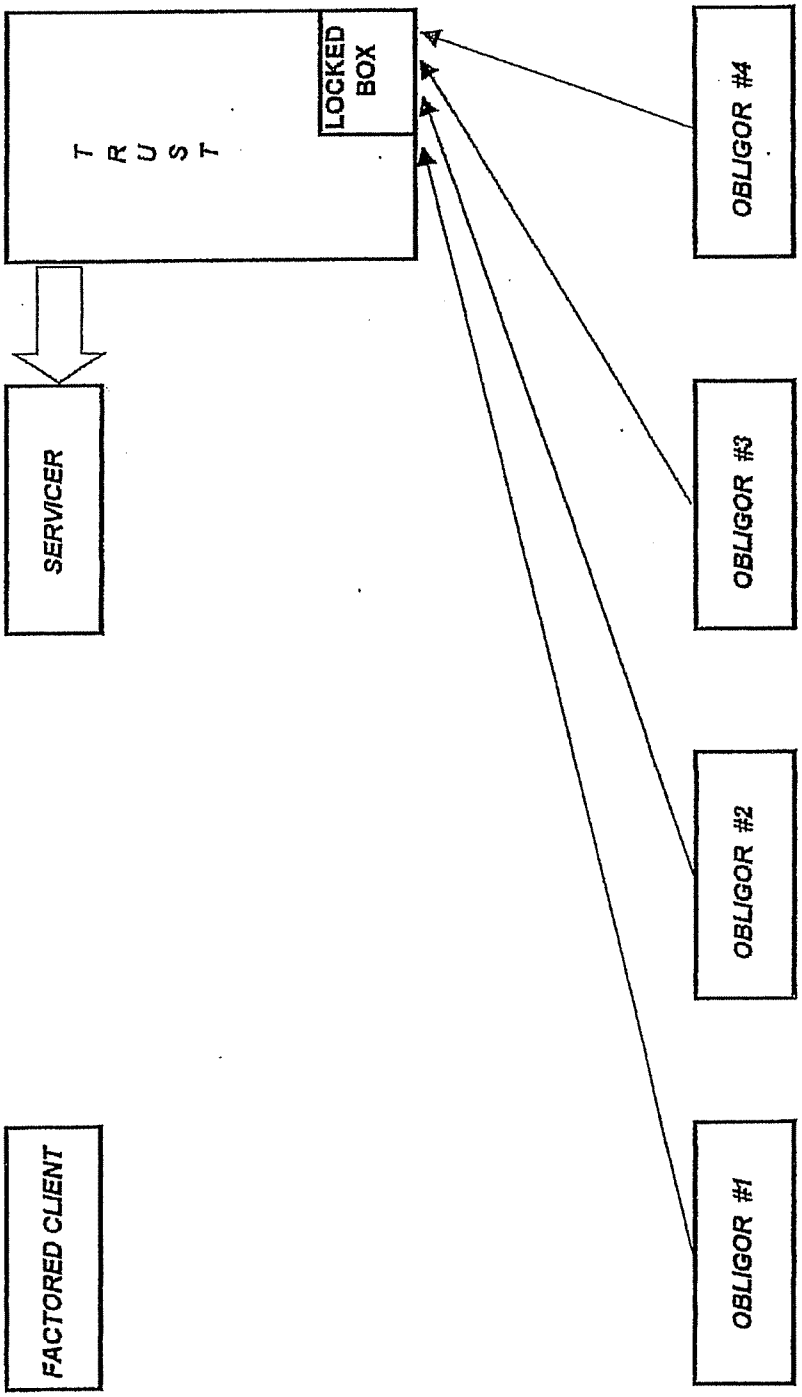
1 - FACTORED CLIENT PERFORMS SERVICE, OR DELIVERS PRODUCT TO THE SATISFACTION OF THE OBLIGOR. OBLIGOR MUST BE APPROVED BY SERVICER.



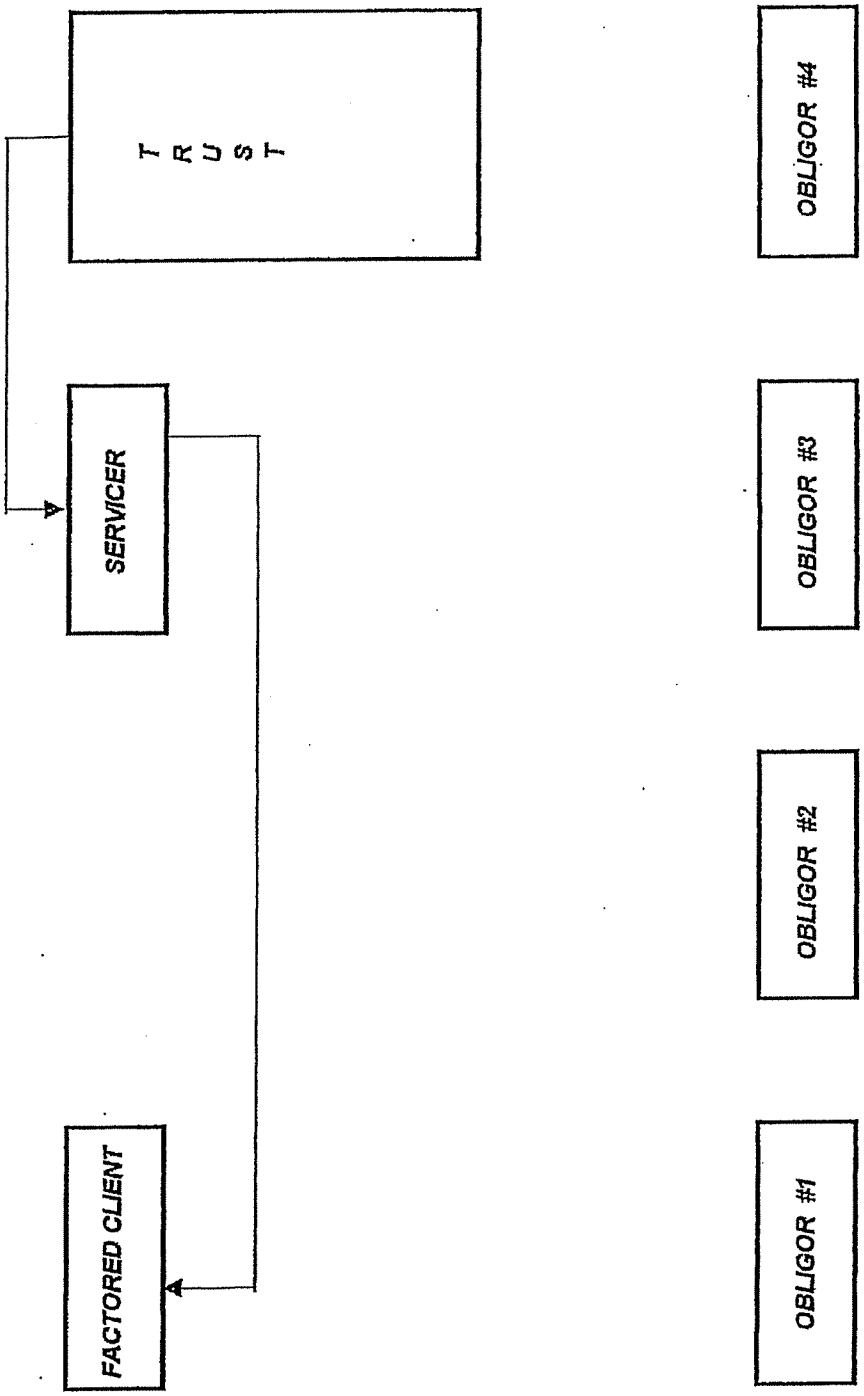
2 - FOUR INVOICES ARE GENERATED AND ARE SUBMITTED TO THE SERVICER FOR PROCESSING. THE SERVICER SENDS OUT INVOICES FOR BILLING AND VERIFICATION (NOTICE OF ASSIGNMENT) TO OBLIGORS, INSURES THE RECEIVABLE, AND FORWARDS THE INVOICE TO FOUNDING PARTNERS WITH WIRE INSTRUCTIONS FOR FUNDING.



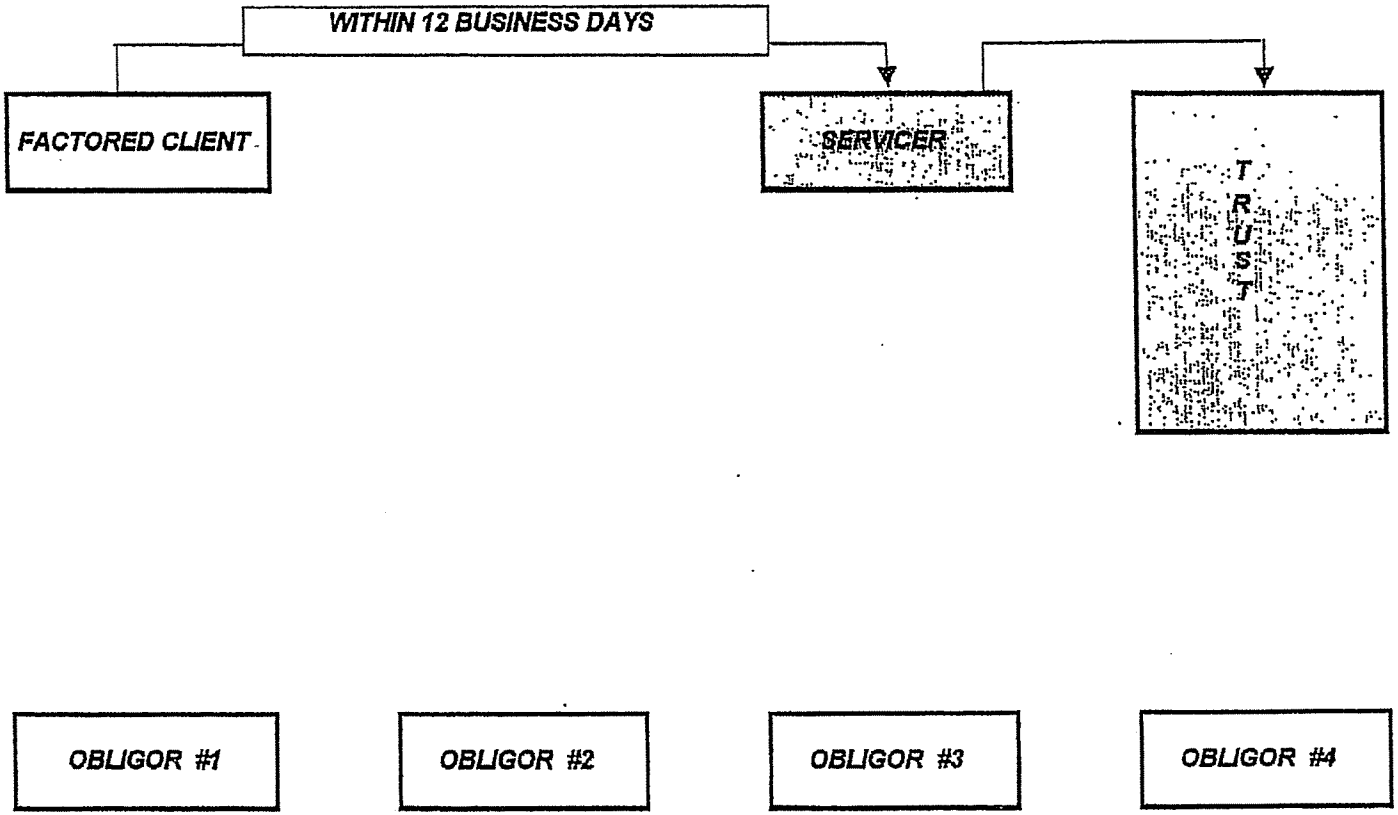
3 -TRUST FUNDS FACTORED CLIENT 80% 0F INVOICE DIRECTLY TO FACTORED CLIENT. VERIFICATION OF FUNDING IS PROVIDED TO SERVICER.



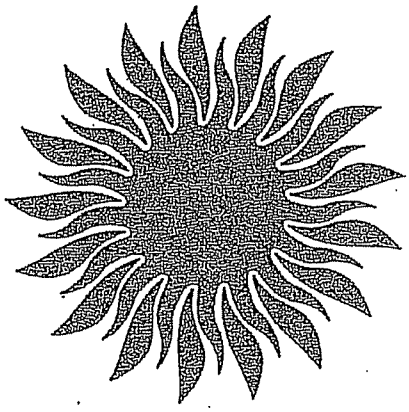
4 - OBLIGORS PAY BILLS TO TRUST LOCKED BOX. NOTIFICATION OF PAYMENT GOES TO SERVICER, INDICATING INVOICE NUMBER, AMOUNT AND OBLIGOR.



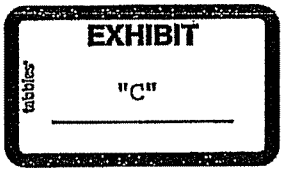
5 -TRUST RETURNS 20% RESERVE, LESS FEES TO SERVICER. AND RETURNS RESERVE, LESS FEES TO CLIENT.



6 - *NEW FACTORED CLIENT MUST RETURN NEW RECEIVABLES TO SERVICER FOR REVIEW WITHIN 12 CALENDAR DAYS IN ORDER TO MAINTAIN FACTOR'S FUNDING. SERVICER THEN PROCESSES AND FORWARDS RECEIVABLES TO TRUST, OR FINDS OTHER RECEIVABLES FOR REPLACEMENT FUNDING.*



SUN CAPITAL
INCORPORATED



SUN CAPITAL, INC.

iggish
its Receivable
Causing
"NoCash-itis"?

two aspirin
and call
CAPITAL
morning



SUN
CAPITAL
INC.

ight cashflow
olutions

A Proven *Stress-Free Cashflow* Prognosis:

- Immediate and dependable access to *unlimited working capital*
- *Financial freedom* to focus on your business growth
- *Improved* company *credit rating*
- Obtain *cash discounts* for early payment of your accounts payable or any other debt
- Ability to offer *better credit terms* to your clients

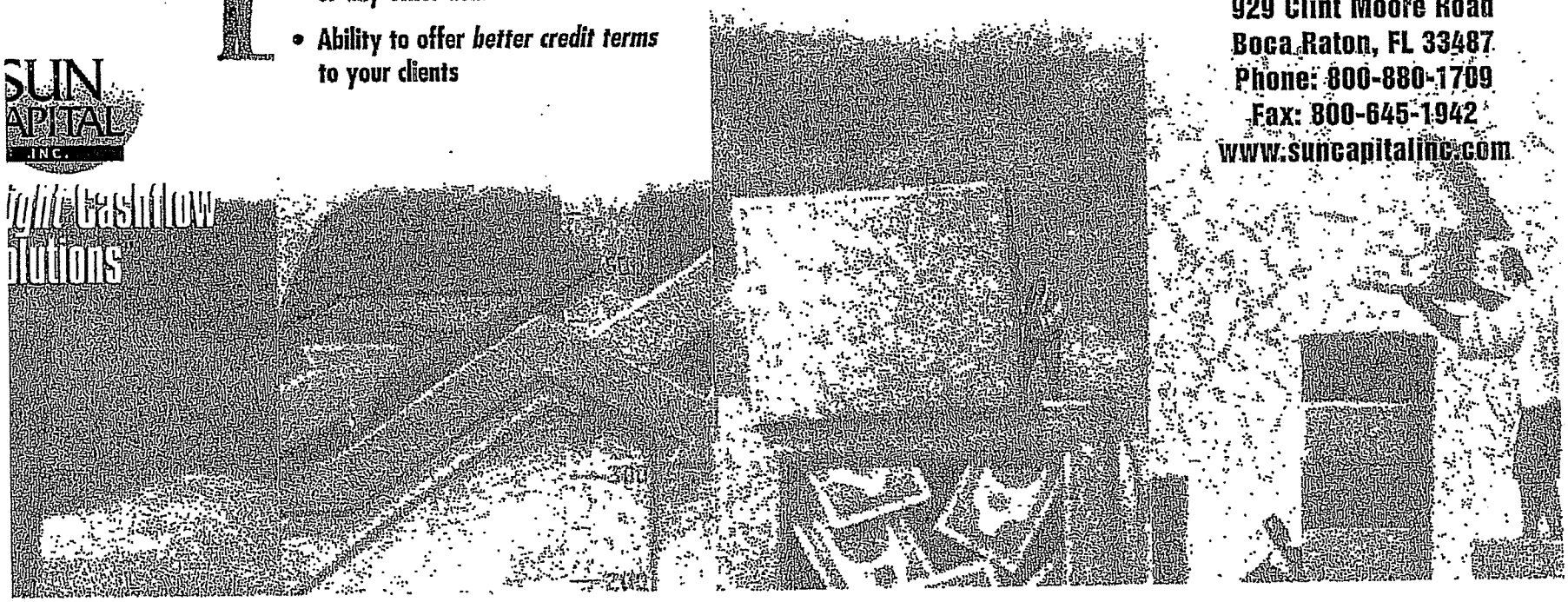
A Nationwide *Financial Services* Provider:

- Aggressive, well-capitalized national organization providing financial services
- Comprehensive and flexible funding programs
- Low fees, no minimums
- Simple application
- Quick approval

Financial Services:

- Accounts Receivable Funding and Management
- Medical Receivable Funding, Billing and Management
- Equipment Leasing
- Purchase Order Funding
- Letters of Credit
- Inventory Financing
- Debt Arbitration

Sun Capital, Inc.
929 Clint Moore Road
Boca Raton, FL 33487
Phone: 800-880-1709
Fax: 800-645-1942
www.suncapitalinc.com



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SUN CAPITAL FINANCIAL SERVICES, INC.

EQUIPMENT LEASING PROGRAM

929 CLINT MOORE ROAD • BOCA RATON • FLORIDA • 33487
TEL: (561) 995-9615 / FAX: 998-9043 • WATS: (800) 880-1709 / FAX: 645-1942 • WEB SITE: http://www.mangonet.com/suncapital

SUN C[illegible]ITAL FINANCIAL SERVI[illegible]S, INC.

BROKER APPLICATION

Business Information

Business Name: _____ Date Started: _____

Address: _____

City: _____ State: _____ Zip: _____

Tel : _____ Fax : _____ Tax I.D. # _____

Corporation: ____ Sole Proprietor: ____ Partnership: ____ LLC: ____

Principal Information

1) Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Social Security Number: _____ % of Ownership _____ %

2) Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Social Security Number: _____ % of Ownership _____ %

Bank Reference

Bank: _____ Tel : _____

Contact: _____ Account #: _____

Funding Source References

1) Name: _____ Tel : _____

Contact: _____

2) Name: _____ Tel : _____

Contact: _____

Signed:	**Dated:**

EQUIPMENT LEASING BROKER AGREEMENT

This Broker Agreement ("Agreement") sets forth the agreement between Sun Capital Financial Services, Inc. ("SUN") and _____("Broker") with respect to any equipment leases submitted to SUN by Broker. The parties hereby agree as follows:

1. **Scope:** This Agreement applies to all equipment lease applications submitted by Broker to SUN until such time as this Agreement is terminated. SUN shall have the right, but shall be under no obligation, to accept any such equipment leases.

2. **Disclosure of Information:** Broker shall, in connection with each equipment lease application submitted, fully inform SUN as to all information known to Broker concerning the application, including but not limited to information regarding the lessee or other party obligated to make rental and other payments pursuant to the lease or other documentation evidencing the equipment lease (the "Obligor") and the proposed Obligor's credit worthiness, any vendor, and the equipment to be leased or financed. This obligation extends to any changes occurring or discovered after the equipment lease has been submitted.

3. **Documentation:** All equipment lease transactions shall be documented to SUN's complete satisfaction in a form acceptable to SUN in its sole discretion.

4. **Notices to Applicants:** If Federal or State law requires, with respect to any submitted equipment lease applications, that certain notices be provided to the Obligors, including but not limited to disclosure of the right to request specific reasons for credit denial and notice of action taken and statement of reasons for such, Broker represents and agrees that all such notices will have been provided to the proposed Obligor, or will be provided at the appropriate time, as prescribed by such law.

5. **Broker Representations:** Broker hereby represents, with regard to each submitted equipment lease application, as follows:

   a. That each lease or financing arrangement (individually, a "Lease") submitted is a bona fide obligation of the respective Obligor and any Co-Obligors, and is valid and enforceable according to its terms. Any guarantees thereof are bona fide obligations of the guarantors and are valid and enforceable according to their terms. All documents provided in connection with each equipment lease have been duly executed by the appropriate parties, who have been duly authorized to execute same, and are enforceable in accordance with their terms. No Obligor or guarantor has any right to set-off, abate, reduce or terminate its payment and other obligations by virtue of any act or omission on the part of Broker or any other party.

   b. All Leases are for business or commercial purposes only and not for personal, family or household purposes.

   c. Each Lease is the sole and complete agreement with regard to the lease/financing of the equipment covered by such Lease, and there are no other agreements in force as a result of representations or warranties made by Broker with respect to the equipment or the lease/financing thereof.

   d. Each equipment lease application submitted to SUN has not been "re-brokered", as that term is generally understood in the industry. Contemporaneous with the submission of the equipment lease application to SUN, Broker identified in writing to SUN any party from whom Broker accessed the equipment lease application. Without limiting the generality of the foregoing, the term "re-brokered" includes all equipment lease applications submitted whereby any renumeration has or

will be paid by Bro. to any party other than Broker's em. yees.

e. Broker has provided SUN with all credit information known to Broker concerning each Obligor including, but not limited to, all written credit information in Broker's possession provided by credit bureaus and other third parties. No such information has been altered, deleted or omitted by Broker, and all credit references contained in such information were supplied by the Obligor and not by Broker or any other third party.

f. All representations and warranties made by Broker to SUN concerning each Obligor are true, correct and not misleading, false or fraudulent in any respect.

g. The equipment lease applications submitted by Broker have not been split among various funding or purchasing sources unless disclosed in writing in advance to SUN. Any application submitted by Broker to SUN is for the full amount for which the Obligor is applying to Broker unless otherwise disclosed in writing by Broker to SUN contemporaneous with such submission. If the application is not for such full amount, Broker has disclosed to SUN the dollar amount, equipment description and funding/purchase sources being contacted for the other requests contemporaneous with such submission.

6. **Authority of Broker:** Broker is and shall act as an independent contractor and not an agent of SUN, and as an independent contractor Broker shall have no authority to incur any obligations or to make any statements or representations on behalf of SUN, or to bind or commit SUN in any manner, or to make, alter or execute any document or agreement on behalf of SUN. Broker shall not use SUN's name or any of SUN's trademarks as part of its firm, trade or corporate name. Broker shall not accept service of any legal process in any such action which may be brought against SUN or employ attorneys to defend any such action.

7. **Act of Representatives:** Broker agrees that all of its duties and responsibilities arising out of this Agreement extend to anyone acting on Broker's behalf. Broker agrees that if it delegates any of its functions under or relating to this Agreement, such as obtaining or making other arrangements with regard to a equipment lease application to others, including vendors or other brokers, Broker shall remain fully responsible for any and all such actions as if Broker had taken such actions itself.

8. **Default and Remedies:** If any representation made herein or in any other document furnished by Broker to SUN shall prove to be untrue or incomplete in any respect, Broker shall indemnify and hold harmless SUN from any and all expenses, injury, damages and loss including, but not limited to, reasonable attorneys' fees, which SUN may incur, pay or suffer as a result of such misrepresentation. In addition, if an Obligor defaults in the payment of the first rental/installment payment due following SUN's acquisition of the related Lease, Broker agrees to return to SUN the amount of the commission or fee paid by SUN to Broker for assigning or arranging such equipment lease transaction. In addition to the foregoing, if Broker breaches any representation, warranty, covenant or agreement stated in this Agreement with respect to any equipment lease transaction, upon 15 days' written notice from SUN, Broker shall repurchase the Lease from SUN for an amount equal to the sum of all payments due but unpaid plus the present value of all remaining payments, plus the present value of residual value (if any) (each of such present values to be determined at the time demand is made using a discount rate equal to 4% per annum), and plus applicable taxes, outstanding late charges and other amounts due to SUN. Following Brokers' payment of such repurchase price to SUN, SUN shall assign such Lease and all of SUN's rights in respect thereof to Broker without recourse, representation or warranty of any kind. The aforesaid repurchase remedy shall be in addition to any other rights or remedies SUN may have at law or in equity. In addition, upon the occurrence of any breach of any representation, warranty, covenant or other agreement hereunder, SUN may elect to rescind any pending approvals with respect to any equipment lease applications which have been presented by Broker to SUN.

9. **Compensation of Broker:** In return for Broker's efforts in connection with any equipment lease application submitted by Broker and accepted by SUN, SUN shall, if the equipment lease application is at SUN's standard rates for equipment lease applications of similar size and risk, pay Broker SUN's standard brokerage fee thereon in accordance with SUN's then current brokerage fee schedule.

10. **Expenses of Broker:** SUN shall not be liable for any expenses incurred by Broker in connection with any equipment lease application submitted by Broker. Any and all such expenses shall be Broker's sole responsibility.

11. **Duration of Agreement:** This Agreement shall be effective at the time of its execution by SUN and shall continue in effect until terminated by either party upon written notice. The rights and obligations of the parties hereunder with respect to equipment lease applications originated prior to termination of this Agreement shall survive such termination.

12. **Qualification of Broker:** Broker shall from time to time, upon request by SUN, submit such information to SUN as SUN deems appropriate in order to assure that Broker meets SUN's standards with respect to qualification to transact business with SUN.

13. **Choice of Law and Venue; Attorneys' Fees:** This Agreement shall not be effective until accepted and signed by SUN in its offices in the State of Florida. This Agreement shall be considered to have been made in the State of Florida and shall be governed by and interpreted in accordance with the laws of the State of Florida. Broker agrees to jurisdiction of any state of Federal court located in Florida with respect to any action, suit or proceeding arising out of this Agreement, and acknowledges and represents that it transacted business in the State of Florida by entering into this Agreement. In the event of legal action to enforce the terms of this Agreement, Broker agrees that venue may be laid in Palm Beach County, Florida. If enforcement action is taken by SUN to enforce any term of this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees incurred at trial, on appeal and review, or incurred without actions, suits or proceedings, together with costs and expenses incurred in pursuit thereof.

Agreed to by and between the parties this _____ day of _____, 199____.

Sun Capital Financial Services, Inc.

By: _____

Title: _____

[Legal Name of Broker]

By: _____

Name: _____

Title: _____

LEASE APPLICATION

LESSEE FULL COMPANY NAME	YEARS IN BUSINESS UNDER PRESENT CONTROL
LESSEE ADDRESS	TELEPHONE
DBA	FAX
TYPE OF BUSINESS	CONTACT
EQUIPMENT LOCATION (if different from above)	☐ CORPORATION ☐ PARTNERSHIP ☐ PROPRIETORSHIP

BANK	CITY/STATE	TELEPHONE	ACCOUNT TYPE	CONTACT	ACCOUNT NO.
1					
2					

TRADE AND FINANCE REFERENCES	CITY/STATE	TELEPHONE	CONTACT	ACCOUNT NO.
1				
2				
3				
FINANCE REFERENCE				
LANDLORD				

PRINCIPAL NAME	1	2	3
HOME ADDRESS			
CITY,STATE,ZIP			
HOME TELEPHONE NO.			
SOCIAL SECURITY NO.			
% OF OWNERSHIP			

DEALER NAME	ADDRESS	CITY, STATE, ZIP	FED.TAX I.D #
CONTACT			TELEPHONE:
EQUIPMENT DESCRIPTION			

TERM	EQUIPMENT COST	RATE	LEASE PAYMENT	EST. DELIVERY DATE	

FOR THE PURPOSE OF SECURING LEASE FUNDING, I AUTHORIZE ALL BANK DEPOSIT, CREDIT, TRADE AND BORROWING INFORMATION TO BE RELEASED BY TELEPHONE OR FACSIMILE TRANSMISSION

SIGNATURE OF APPLICANT	DATE

EasiLease Program

May 1999

SUN CAPITAL FINANCIAL SERVICES INC, a subsidiary of Sun Capital, Inc. has designed an equipment leasing program for its Brokers that is unique in its simplicity, while at the same time being one of the most comprehensive in the industry. All you have to do is send us the information - we will do the rest. Take advantage of this program to increase your profit opportunities.

Program Highlights:

New Equipment
Used Equipment
Terms up to 60 months
Extended terms for larger transactions
Flexible payment plans
Fair market value and Finance leases
Special Medical Programs
Rolling Stock/Titled Vehicles
Competitive Rates
Special Program for businesses less than 2 years old
Sale/Leaseback
Custom designed Vendor Programs
Complete backroom functions that work on your behalf

LEASE APPLICATION

In most cases, transactions up to $75,000 (small ticket leasing) will be dealt with on an Application only basis (see sample attached). In order to ensure a quick response, it is important that the Application is both complete and accurate. ***To qualify for preferred rates, businesses must be at least 2 years old under the current ownership.***

How to complete the Lease Application:

Please refer to the corresponding numbers on the Lease Application attached.

General Section

1. Complete legal name and address of lessee.

2. Please provide the number of years under current ownership.

3. If the business has a name under which it trades, other than its legal name, please enter it here.

4. Please state what the business does.

5. This space is to be completed if the equipment is going to be located at a different address than the one stated above, e.g. equipment is being acquired for a new location but the corporate office remains the same.

6. Please indicate whether the business is a corporation etc.

Bank Information

7. Bank Name, City and State, telephone number, Officer's name and account number on all accounts. Account numbers are important because many banks do not rate without them. Certain banks may require authorization from the Lessee to release account information.

If the bank account is less than 2 years old, please provide a previous bank with the same information as above.

Trade/Finance References

8. Name, City and State, local telephone number (not a Toll Free number) contact name and account number (if available). Please provide at least 3 references. Trades should show a consistent volume of business and date back as far as possible.

9. Where possible, one reference should be a finance/lease reference.

Principal/Officer

10. Correctly spelled names of each Principal, complete home address and social security number. Please include their title and, where possible, the percentage of ownership. In the case of a partnership or Limited Liability Company, information is required on all Partners or Members. Personal guarantees are requested on all transactions, unless the lessee has been in business a minimum of 7 years or is a public or non-profit entity.

11. For additional Principals.

Equipment

12. Provide Vendor name and address and contact person. A description of the equipment. Where possible, attach copy Invoices, Quotes etc.

13. State the proposed term, equipment cost and anticipated monthly payment (if known).

GENERAL GUIDELINES

Small-Ticket Transactions

We have designed three small-ticket programs to handle all of your equipment leasing needs. Each Program has different rates and criteria. We will advise you, after receipt of the application, what Program fits your clients needs. We will then contact the client and handle all their questions and prepare the necessary documentation to complete the transaction. If you prefer, simply fill in the attached Referral Form and fax it to us. Upon receipt, we will speak to the Client and get the application.

After the equipment is delivered, a call will be made to the Client to ensure that it has been properly installed, and that is working to their satisfaction. At this point a check will be sent to the Vendor and to the Broker for their commission. Payment will not be made until this call has been completed to our satisfaction.

The Table below is a brief summary of the difference between the Programs:

Preferred Program	Standard Program	Special Program
This Program handles businesses at least 2 years old, with clean personal credit and satisfactory bank, trade and finance references. There are certain restrictions as to the type of equipment acceptable under this program.	Same requirements as for the Preferred Program, except that there is a minor glitch as to credit or Equipment.	This Program is designed to handle the higher risk Transactions, including some types of equipment that is normally restricted, or Companies less than 2 years in business and non –conventional credits. This Program usually means shorter terms, and in some cases, additional collateral.

Vendor Programs:

We can help you design a lease product that is unique to your Vendor's needs. The opportunity to provide this service will enable your Vendor to offer equipment leasing for the products they sell to other businesses. This can be a highly lucrative area. You can help increase sales, which results in more profits for you. We have specialists on staff, experienced in this area, who will take you through the entire process.

Larger Transactions:

Transactions over $75,000 will be handled on a case-by-case basis. A complete financial package is required. Upon receipt of the Application and a Summary of the proposed transaction, we will fax a list of documents required. Larger transactions will usually require a physical inspection of the equipment. As soon as the equipment has been delivered, we will handle all the arrangements.

SUMMARY

We will handle the transaction from beginning to end, enabling you to spend your time finding more transactions. Our staff will respond to all of your client's needs.

We supply the tools, you supply the leads. In return, determined by the monthly payment, we will pay commissions as a percentage of the equipment cost, for example:

Equipment Cost:	$25,000
Commission:	3 points = $750.00

Please remember that this is just an example. The commission earned will is dependent on the deal.

This document is an outline of our Program and is subject to change. Some policies are more flexible than others. Each credit application will be treated on an individual basis. We have not covered all the Programs available for participating Brokers. Please call us if you have any questions.

Advantages of Leasing

1 Leasing conserves your working capital.

Rather than purchasing equipment with cash, lease it. When you lease equipment, you make only monthly payments. Since there is no down payment to start with, you conserve your working capital that can be used more profitably for your short-term business needs.

2 Leasing preserves your credit lines.

Unfortunately, some of the credit available to you today might not be there tomorrow if you exhaust your line of credit with a major purchase. Leasing the equipment you need, however, helps preserve valuable credit lines while giving you the financial resources you need.

3 Leasing provides 100% financing.

You may finance up to 100% of your equipment cost. That includes freight, installation and some incidental charges. So you won't have to compromise or settle for less than you need.

4 Leasing provides flexibility.

Through leasing's extended terms, payment amounts can be substantially lower than they would be if the equipment was purchased with borrowed funds. Lease payments can be monthly or quarterly or annually, etc. Different payment amounts can be designed to occur within the same lease, including seasonal and step payments. In short, leasing provides you with far greater financial flexibility than any other form of equipment acquisition, enabling you to buy more equipment while staying within your corporate budget.

5 Leasing provides a variety of tax benefits.

Unlike loan payments, lease payments may be fully deductible as an operational expense.

6 Low acquisition costs.

Your capital requirement is low, usually only one or two advance payments.

7 Leasing eliminates equipment obsolescence.

Leasing lets you regularly upgrade your equipment to a state-of-the-art level, eliminating the inefficiencies of owning out-dated equipment.

8 It's quick and easy to apply.

Unlike loans that can take weeks to process and require volumes of paperwork, your lease application is simple. For transactions under $75,000, simply complete the application form, and in most cases your lease will be approved within 24 hours.

VENDOR REFERRAL

To	**Ivan Hoser**	From	
Company	**Sun Capital**	Date	
Fax	**954.755.4547**	Fax	
Phone	**954.755.9112**	Phone	

Please contact the following Vendor prospect and register my name as the referring source:

COMPANY	
CONTACT	
PHONE	
FAX	
EQUIPMENT SOLD	
PRICE RANGE	
COMMENTS	

For Sun use only:

EQUIPMENT LEASE REFERRAL

To	**Ivan Hoser**	From	
Company	**Sun Capital**	Date	
Fax	**954.755.4547**	Fax	
Phone	**954.755.9112**	Phone	

Please contact the following equipment lease prospect and register my name as the referring source:

COMPANY	
CONTACT	
PHONE	
FAX	
EQUIPMENT	
AMOUNT	
COMMENTS	

For Sun use only:

SUN CAPITAL, INC.

Dear Associate:

1999 continues to be an exciting year at Sun Capital, Inc. ("Sun"). Expansion of our commercial accounts receivable funding and equipment leasing client base continues to beat all previous years' performances. In addition, we are continuing to expand our services to better serve our clients.

Our new services will include purchase order funding, medical receivables funding, debt arbitration and client advisory services. All of these services are designed to provide our brokers (associates) and your clients a "one-stop shop" for all financing needs.

These new broker programs are:

1. Up-front Commision – At initial funding, Sun will now pay our registered brokers (associates) a bonus at initial funding in addition to their anticipated commission. This will provide you immediate cash rather than waiting for our first collection. Details are attached.

2. Associates Program - a nine part mentoring program to help you increase your business. The associates program consists of:

- 2-3 day training program at Sun corporate headquarters. The training program will emphasize marketing techniques.
- 12 week after training program to assist your progress.
- Field visits in your market.
- Regular contact with your assigned partner to provide you additional support.
- Free support material.
- Up-front commission program.
- Bonus programs.
- Co-op advertising. Sun will financially support your approved advertising program.

The Associates Program will be directed by Francis A Obert Jr, our newly appointed National Sales & Marketing Director.

3. Sun Website – We will be introducing our new website in August. Our interactive website will provide you with support for client presentations and marketing materials necessary to close transactions. Also, our communication link will provide fasts and easy contact to all Sun staff.

As always, our "deal team", Howard Koslow, Francis A. Obert Jr, Lori Wilkerson, Ivan Hoser, Merrill Brodsky and my self are all available to assist you with any transaction. Also, our client conference call program has become very popular and we suggest you provide us 24 hours advance notice to provide you with dedicated service. The client conference call program provides immediate, on the spot support when you most need it.

I look forward to talking with you soon.

Sincerely,

Peter R. Baronoff
Chairman & Chief Executive Officer

929 CLINT MOORE ROAD • BOCA RATON, FLORIDA 33487
TEL: (561) 995-9615 / FAX: (561) 994-4937 • TEL: (800) 880-1709 / FAX: (800) 645-1942

UP FRONT INCENTIVE PROGRAM

Sun Capital is now offering a unique incentive program to our associates which will be in addition to our normal ongoing commission structure. Sun Capital will now pay a 1/2 % fee from the first funding amount paid within 3 days of the first funding.

PROGRAM EXAMPLE

Initial Factoring Amount	$75,000
Initial Advance	80%
Advance Amount	$60,000
Broker Incentive*	1/2%
Broker Incentive Fee	$300

Minimum first advance amount	$20,000
Maximum first advance amount	$250,000

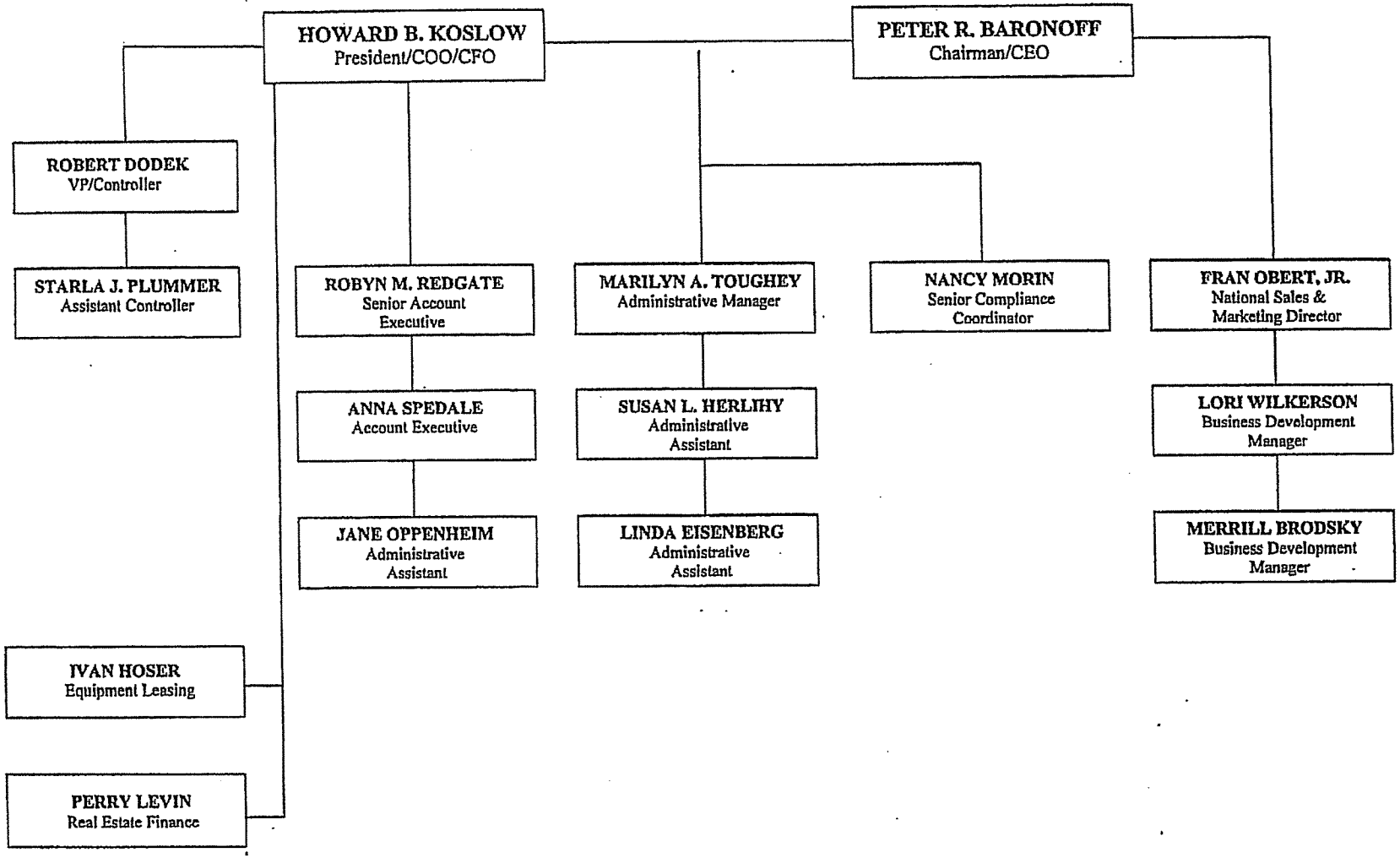
Our incentive program has been designed with your needs in mind. For more details, please contact our office at 1-800-880-1709!

*Sun Capital's incentive program is designed to pay the broker of record (1) up front fee for each new client approved and funded by Sun Capital. This incentive program is in addition to your ongoing commission for the life of the account.

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SUN CAPITAL, INC.

Organization Chart



SUN CAPITAL, INC. ASSOCIATES APPLICATION
929 CLINT MOORE ROAD
BOCA RATON, FL 33487
(PH) 800-880-1709 (FAX) 645-1942

Broker Business Information

Business Name: _____ Date Started: _____

Address: _____

City: _____ State: _____ Zip: _____

Tel: _____ Fax: _____ Tax ID #_____

Corporation: ___ Sole Proprietor: ___ Partnership: ___ LLC:___

Principal Information

1) Name: _____ Title:_____

Address: _____

City: _____ State: ____ Zip: _____

Social Security Number: _____ % of Ownership _____%

Pino Training: Yes ___ No ___ Current or Previous Employment:_____

2) Name:_____ Title:_____

Address: _____

City: _____ State: _____ Zip: _____

Social Security Number: _____ % of Ownership _____%

Pino Training: Yes___ No___ Current or Previous Employment:_____

Sun Capital, Inc.

Broker #: _____ Factoring Transactions Closed:_____

If None, Explain: _____

Funding Source References (If Available)

1) Name:_____ Tel:_____

Contact: _____

2) Name:_____ Tel:_____

Contact: _____

Signed: **Dated:**

MANAGEMENT

At **Sun Capital, Inc.** you deal with an experienced and dedicated team of professionals who understand finance, banking and the growing needs of today's business owners in an ever-changing economic environment.

Peter R. Baronoff, Chairman & CEO, has utilized his entrepreneurial and management expertise to direct the Company. Mr. Baronoff has spent the past 10 years in a Senior Executive capacity as Chief Executive Officer, Corporate Director and President, providing equity capital, financial management and restructuring expertise to operating companies nationwide, including start-up's and troubled businesses.

In 1987, prior to Mr. Baronoff's founding the Company, he was President and founder of Blair Importers, Ltd., a leading national importer of wine and spirits. Blair Importers developed a national reputation by acquiring wine and liquor brands from major international competition.

Mr. Baronoff has also served as President of Cordoniu USA, a subsidiary of a Spanish company, and as Executive Vice President for Guinness PLC. As Chief Executive Officer and President of Dev-Tech Corporation d/b/a Florida Growth Capital, Inc., a NASDAQ listed company, Mr. Baronoff was retained by the Company's Board to redirect the company and increase shareholder value. Mr. Baronoff is currently Chairman of the Board of Directors of Biolok International, Inc., a NASDAQ listed company.

Howard B. Koslow, President, COO & CFO, has held several executive management positions with two of the leading companies in the real estate industry.

Mr. Koslow has developed a national reputation as a skilled financial manager and analyst. Mr. Koslow is a member of the Board of Directors of Biolok International, Inc., a NASDAQ listed company. He is also a Director of the Commercial Finance Association. Previously, Mr. Koslow served as Executive Vice President and Chief Operating Officer of Dev-Tech Corporation d/b/a/ Florida Growth Capital, Inc., a NASDAQ listed company. Prior to 1995, Mr. Koslow was Chief Financial Officer of Solow Management Corporation, a prominent New York City real estate owner and developer.

From 1987 through 1993, Mr. Koslow was Vice President and Controller of Olympia & York Companies (USA), an international real estate owner and developer, where, among his many responsibilities, he directed the financial administration activities for the Company's U.S. joint venture investments, aggregating several hundred million dollars. Mr. Koslow was a practicing accountant and financial advisor for a number of years in senior level management positions with prominent Certified Public Accounting firms, servicing a broad base of industries.

Ivan Hoser, Equipment Leasing, over twenty five years experience in the finance industry. In addition to spending many years as a Broker, Ivan has been involved in establishing Broker Networks for national equipment lease funding sources. He has also helped in the development of credit and training programs.

Robert B. Dodek, Vice President and Controller, with over thirty years of accounting experience in public accounting and as a Controller/Chief Financial Officer in the construction industry. His responsibilities include financial reporting, cash management, treasury functions and information systems.

Norman E. Taplin, Esq., General Counsel, concentrates his practice in the areas of insurance, administrative law, real estate, corporate and commercial law representing companies, industries, businesses and matters involving governmental regulation, the securing and maintaining of licenses, governmental approvals and other regulatory issues.

Mr. Taplin graduated from the University of Miami, *magna cum laude* in 1972 and from Duke University School of Law in 1975.

STAFF DIRECTORY

Susan Herlihy - Receptionist
Extension#207
- **Answer Telephones**
- **Correspondence**
- **Mail Broker Packages**
- **Process Broker Agreements**
- **Data Entry**

Marilyn Toughey - Administrative Manager
Extension #217
- **Monitor Broker Calls and Questions**
- **Process "Checks In The Mail" Brochures**
- **Broker Data Base Entry Maintenance**
- **Process Client "Letter of Interest" and Contract Packages**

Nancy Morin - Compliance Coordinator
Extension #208
- **Organize and Prepare Legal Files**
- **UCC Filings**
- **Research Credit Reports**
- **Research D & B • Quarterly Lien Searches**
- **Prepare and Send Notification Letters**
- **Prepare Intercreditor Agreements**
- **Interface with Client during Preparation of File**

Robyn Redgate - Senior Account Executive
Extension #220
- **Cultivating Relationship with Clients**
- **Research and Resolve Accounts Receivable Issues for Clients**
- **Daily Follow-up of Accounts Receivables**
- **Weekly Client Report**
- **Timely Fundings**
- **Overall Account Maintenance**

Anna Spedale – Account Executive
Extension #214
- **Cultivating Relationship with Clients**
- **Research and Resolve Accounts Receivable Issues for Clients**
- **Daily Follow-up of Accounts Receivables**
- **Weekly Client Report**
- **Timely Fundings**
- **Overall Account Maintenance**

Jane Oppenheim - Administrative Assistant
Extension #213
- **Data Entry**
- **Mailings**
- **Account Executive Assistant**

Linda Eisenberg – Administrative Assistant
Extension #218
- **Data Entry**
- **Telephone Relief**
- **Administrative Manager & Compliance Coordinator Assistant**

Starla Plummer – Assistant Controller
Extension #204
- **Oversight of Client Accounts (Receipts,Adjustments,Fees,etc)**
- **Process Broker Commissions, Reports and Checks**

BROKERAGE AGREEMENT

This Brokerage Agreement ("Agreement") is entered into as of the ____day of _____, _____by and between Sun Capital, Inc., a Florida corporation ("SCI"), whose address is 929 Clint Moore Road, Boca Raton, Florida 33487 and _____("Broker"), whose address is _____.

Broker's Federal Employer I.D. No. and/or Social Security #: _____ Broker Authorized Number:_____
Broker's Telephone No. _____ Broker's Facsimile No.: _____

RECITALS:

A. SCI is engaged in the business of purchasing, at a discount, accounts receivable invoices ("Invoices") evidencing the obligations of account debtors ("Account Debtors") to third-parties doing business in the State of Florida and elsewhere in the United States of America.

B. Broker has agreed to act as a non-exclusive broker of SCI for the limited purpose of referring to SCI potential Sellers of Invoices (the "Sellers", or each individually a "Seller"), under all of the terms and conditions more particularly set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants and promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SCI and Broker acknowledge and agree as follows:

1. Recitals. The foregoing recitals and the information contained in the preamble are true and correct and are incorporated into this Agreement as if fully set forth at length.

2. Scope of Engagement. SCI engages Broker for the sole and limited purpose of referring Sellers to SCI for the purchase of Invoices. In no event shall Broker be authorized to, or represent to the Sellers or others that it is authorized to, enter into binding agreements ("Purchase and Sale Agreements") on behalf of SCI for the purchase of Invoices from the Seller. Further, Broker shall have no authority to incur any obligations or liabilities on behalf of SCI nor to otherwise subject SCI to any such obligations or liabilities. ***Broker shall not solicit or receive on behalf of SCI any form of compensation other than is stated in item 5 below.***

3. Term of Engagement. The term of this Agreement shall commence on the date hereof, and with respect to each Seller introduced by Broker, this Agreement will continue in effect until terminated as provided hereafter.

4. Purchase of Invoices. In order to be entitled to any compensation for Invoices purchased from a Seller, Broker must be the procuring cause of the purchase and must first submit a signed application, a corporate resolution (if applicable) and a Purchase and Sale Agreement pertaining to the purchase of Invoices from the Seller (all in the forms prescribed by SCI). Additionally, a binding agreement for the purchase of Invoices from the Seller may be made only upon the execution and delivery by SCI of a Purchase and Sale Agreement on SCI's standard form (identifying the Invoices being purchased) and the making of the initial payment due to the Seller thereunder. The decision of whether to purchase any Invoices from a Seller from time to time shall be made in SCI's sole and absolute discretion, and SCI shall not be obligated to pay any fee or other compensation to Broker in the event SCI elects at any time or for any reason whatsoever not to purchase any Invoices from the Sellers.

5. Compensation. For the performance of Broker's services under this Agreement, SCI agrees to pay Broker a fee (the "Fee") for each Invoice purchased from the Sellers during the term of this Agreement. The Fee shall be payable to Broker monthly based on the Purchase Discounts actually collected in cleared funds during the preceding month by SCI. The Fee shall be earned only as a percentage of the actual net Purchase Discount received by SCI, in cleared funds, all as adjusted for any reimbursements, rebates, deductions or collection costs. The Purchase Discount under a particular Purchase and Sale Agreement shall be deemed received by SCI only if, as, when and to the extent that SCI collects, in cleared funds, cumulative payments on the Invoices purchased under that Purchase and Sale Agreement exceeding the difference between (i) the gross face amount of the Invoices, and (ii) the Purchase Discount, as adjusted by any collection costs incurred by SCI. In the event of a material default by a Seller under any of its Purchase and Sale Agreements with SCI, no further Fee shall be payable with respect to Invoices purchased from that Seller unless and until SCI recovers from the Seller the full amount of any damages suffered by SCI. If for any reason whatsoever SCI is required at any time to repay or reimburse to the Seller any portion of the Purchase Discount, or other sums received from the Seller, then the Fee payable to Broker shall be

adjusted shall be adjusted as if su payment were an adjustment required ur the terms of the Purchase and Sale Agreement and the Fee will adjusted proportionately. SCI shall have right to accomplish any such adjustment of offsetting the amount of the adjustment against any other Fee then or thereafter owing to Broker under this Agreement or under any similar agreement, or by making demand on Broker to repay the applicable portion of the Fee already paid to Broker.

6. Broker's Representations And Warranties. Broker represents and warrants to SCI that:

(a) Broker has obtained, and will keep in full force and effect, all licenses and authorizations, if any, that may be required by law from time to time in order for Broker to legally perform all of its obligations under this Agreement.

(b) Broker is being engaged as an independent contractor and agrees that it shall undertake its duties and services hereunder independently and not as an agent or in any other way representative of SCI. Any employment arrangements made by Broker are solely Broker's responsibility, and SCI shall have no liability regarding the same.

(c) Broker has no prior or concurrent obligations, commitments or impediments of any kind that will limit or prevent the performance of Broker's obligations under this Agreement.

(d) Broker will provide the Sellers with copies of the proposed Purchase and Sale Agreement and other marketing materials (collectively, the "Marketing Materials") approved by SCI from time to time and will not provide any other written information or make any verbal representations regarding SCI or the proposed relationship of SCI and the Sellers which are not specifically contained in the approved Marketing Materials.

(e) If any claims, demands, suits or other legal proceedings arising out of any matters related to this Agreement are at any time threatened or instituted by any person or entity against SCI, Broker shall provide SCI with all pertinent information possessed by Broker and reasonable assistance in the defense or other disposition thereof.

(f) Broker will use its best efforts to refer Sellers to SCI for the sale of Sellers' Invoices. Broker shall have a fiduciary duty to act in the best interests of SCI when performing Broker's services under this Agreement and shall not solicit or accept any undisclosed payment, "kickbacks" or other benefits of any kind.

(g) Broker shall not delegate, assign or subcontract its duties or authority under this Agreement to any other person or entity.

7. Indemnity. In consideration of the sum of $10.00, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. Broker agrees to indemnify, defend and hold SCI harmless from and against any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses (including reasonable attorneys' fees and court costs), suffered or incurred by, or asserted against, SCI by reason of, or arising out of, any breach of this Agreement or the negligence or willful misconduct of Broker, its agents, employees or contractors with respect to the services to be performed by the Broker under this Agreement. The terms of this paragraph shall survive the expiration or earlier termination of this Agreement.

8. Right of Offset. If Broker shall breach any representation warranty or covenant contained in this Agreement, SCI shall have the right to offset all loss, cost, damage, liability and expense (including reasonable attorneys' fees) suffered or incurred by SCI against any Fee then or thereafter owing to Broker under this Agreement or under any other similar agreement.

9. Termination. SCI shall have the right to immediately terminate this Agreement by giving written notice to Broker upon the occurrence of any of the following events: (a) Broker's breach of any representation, warranty or covenant contained in this Agreement; (b) the dissolution or termination of the corporate existence of Broker, if applicable, or the termination or suspension of any licenses or authorizations as may be required by law to enable broker to perform its services under this Agreement; however, Factor's obligation to pay broker as indicated in Section 5 above shall continue for life of said accounts.

10. Notices. Any notice pro d or permitted by this Agreement shall b ven in writing by registered or certified U.S. mail, postage prepa ddressed to the party to be notified at tha ty's address as set forth in the heading of this Agreement or the last address designated by that party in writing to the other, or delivered personally to the other party, and shall be deemed conclusively to have been given on the date of personal delivery (or refusal to accept delivery) or three (3) days after the date of mailing, except that notice of a change of address shall not be effective until receipt.

11. Waiver. No act or failure to act on the part of SCI shall be deemed a waiver of any covenant of this Agreement, unless such waiver is in writing and signed by SCI. Any such waiver shall apply only to the circumstances described in the writing and shall not apply to any other prior or subsequent events.

12. Severable Covenants/Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be determined by an appropriate judicial authority to be illegal, invalid or unenforceable, the same shall be deemed modified or deleted by such judicial authority to the extent necessary so as to be enforceable with the intent to grant the maximum intended benefit; but the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held illegal, invalid or unenforceable, shall not be affected thereby and each term and provision of this this Agreement shall be valid and be enforced to the fullest extent permitted by law.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida. The parties hereto submit to the jurisdiction and venue of the state and federal courts in and for Palm Beach County, Florida and waive any claim that the same is an inconvenient forum.

14. Third Party Beneficiaries. Only the parties to this Agreement shall be entitled to the benefits of this Agreement, an no other party shall be deemed a third-party beneficiary under this Agreement nor be entitled to enforce the terms of this Agreement.

15. Entire Agreement. This Agreement contains all of the agreements between the parties hereto, supersedes all prior and/or contemporaneous negotiations, agreements and understandings (whether verbal or written) and may not be modified in any manner other than by an agreement in writing signed by both the parties hereto.

16. Assignment. Broker shall not assign, pledge or encumber its right or interests under this Agreement.

17. No Joint Venture. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture between SCI and Broker nor to cause SCI or Broker to be responsible in any way for the debts or obligations of the other party, it being the intention of the parties that the only relationship created hereunder is that of independent contractors.

18. Binding Effect. This Agreement shall be binding on and may be legally enforced by the parties hereto and their successors and permitted assigns.

19. Waiver of Trial By Jury. SCI AND BROKER HERBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, RELATED TO, OR ARISING IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Signed, sealed and delivered in the presence of:

Sign: X _____

Print Name: _____

Sun Capital, Inc., a Florida Corporation

By: _____

Name: _____

Title: _____

~ Sun Capital, Inc.
929 Clint Moore Road, Boca Raton, Florida 33487
Tel: 561/995-9615 ~ Fax: 998-9043 ~ ~ ~ Watts: 800/880-1709 ~ Fax: 645-1942

Date: ___/___/___

Re: "CHECKS in the MAIL" & "COULD IT BE STRESS" FLYERS

Dear BROKER:

Thank you for your interest in ordering the above referenced BROKER MARKETING TOOLS. The Brokers that have used this mailer have had a very positive response, and we certainly hope that you do as well! And now for the nuts and bolts...

- The cost is 25¢ PER PIECE & you can order & re-order in MINIMUM QUANTITIES of 100 EACH
- We will ship the flyers by any of the Fedex or United States Postal Services shown below, and can ship on a C.O.D. basis. *After you make your selections, fax or mail us your order. We will calculate the charges for you and let you know the total cost.*

- Fedex COD & Freight charges =$5.00 for each COD address + associated freight costs per type and location of delivery service and weight of package. Because Fedex has gone to a ZIP CODE based zone system determined by REGIONS, it is vital that you provide a complete address, and each shipment has to be calculated on a case-by-case basis. Personal, company or certified checks can be used as payment. No cash, traveler's checks, counter checks or post-dated checks will be accepted. Be sure that you select one of the (3) types of service: Next Day Priority (by 10:30am), Next Day (by 5:00pm) or 2-day (by 5:00pm)

- United States Postal Service The COD charges vary depending on the total item value shipped for COD shipments, plus there is the cost of First Class Priority mail , which is determined by the total weight of the package. Cash, personal checks or company checks are acceptable for COD shipments.

BEFORE YOU SEND ANY MONEY, YOU MUST indicate below, based on the information above, (1) how many FLYERS you want, (2) what type of shipment you want, and (3) indicate if you wish to pre-pay or COD the shipment. WE WILL PRICE THE COST OF THE SHIPMENT & ADVISE YOU !!!. No prepaid shipments will be sent before receipt of check. Please fill-in ALL the NECESSARY spaces below & PRINT CLEARLY. Orders will be processed IN THE ORDER IN WHICH THEY ARE RECEIVED. *THANK YOU!!!*

TYPE OF FLYER_____

NAME:_____

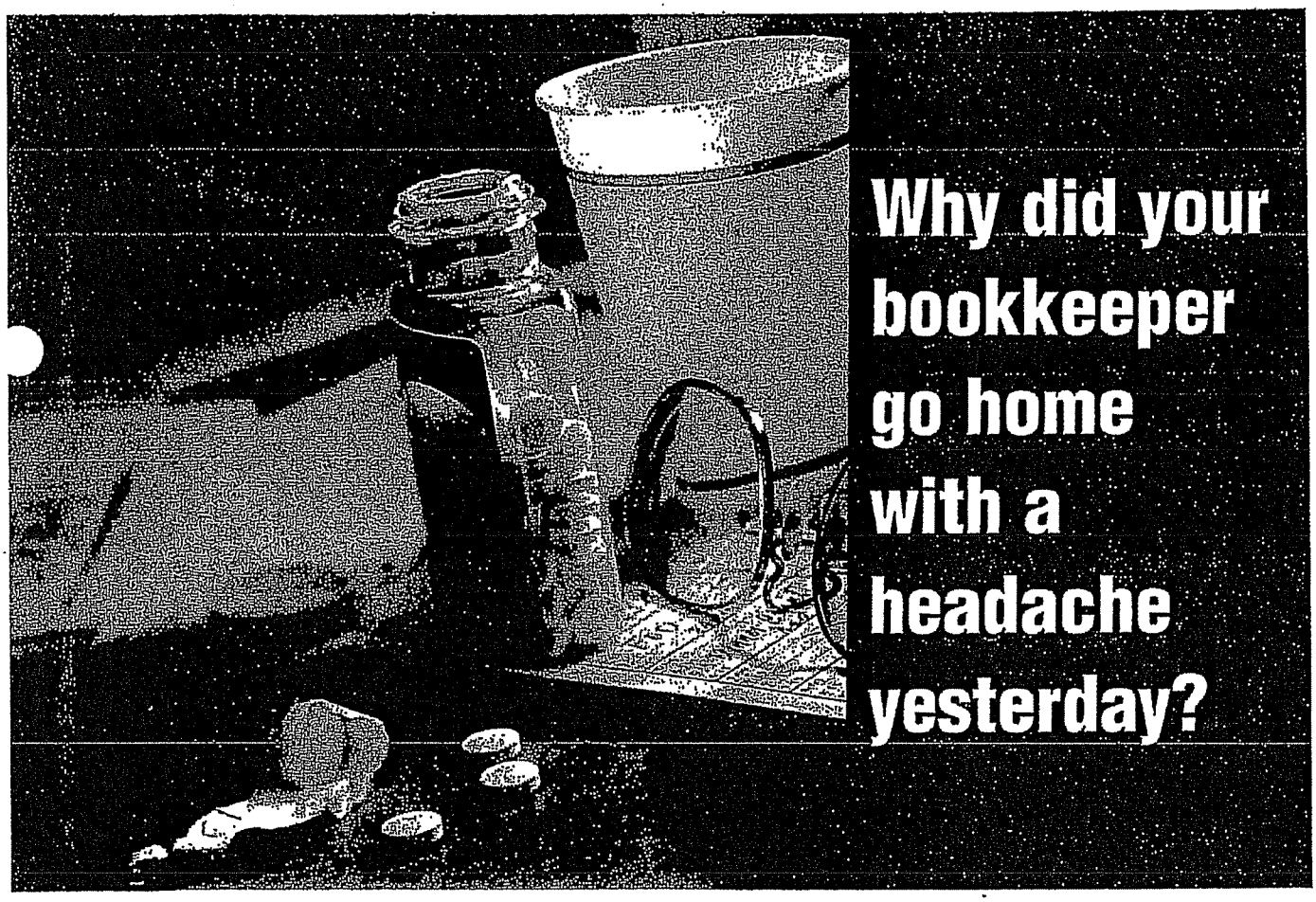
COMPANY NAME (if any):_____

STREETADDRESS:_____

CITY, STATE, ZIP CODE:_____

TEL # (_____) _____ ~ _____ QTY. _____ *CIRCLE (1):* PRE-PAY C.O.D.

CIRCLE (1): Fedex Priority ~ Next Day ~ 2-Day OR U.S. Postal service Priority Mail


Why did your bookkeeper go home with a headache yesterday?

If you've ever thumbed through a stack of mail searching for checks from customers, you're not alone.

EVERY BUSINESS NEEDS WORKING CAPITAL.

No matter how large or small, no matter how young or established . . . if there is no cash, there is no business. It is that simple.

Your slow-to-pay customers are holding you back.

They keep you from paying your bills on time. They limit your ability to take advantage of volume buying or pre-payment discounts. They consume your valuable time as you spend hours navigating your business through cash flow short falls.

And, most importantly, they prohibit you from having confidence in your cash flow - confidence you need before hiring more people, buying new equipment and growing into the company you want to build.

Accounts receivable funding can improve your company's cash flow. Call today for more information.

You'll never have to search anxiously through your mail for checks again!

Receivable funding releases you from the restraints caused by an inconsistent cash flow.

We have aggressive, well-capitalized resources and seasoned experts to put together a comprehensive and flexible receivable funding program for you. In short, the program provides cash today in exchange for your commercial accounts receivable.

So whether you are seeking $20,000 or $1 million a month, we can tailor a program to meet your accounts receivable funding needs.

Let us show you how accounts receivable funding can improve your company's cash flow. Call us today to confidentially discuss your needs.

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HOW TO MAKE BIG $$$ GIVING MONEY TO BUSINESSES

It's very simple! Every business, big or small, sometimes, sooner or later needs cash. It could be for any number of reasons... but as far as you are concerned, it really doesn't make any difference what the reason is! All you need to do is let these businesses know that you have ***cash*** available to buy their ***account receivable***. That's right, through our Company, Sun Capital, Inc., we will buy those accounts receivable for cash. Perhaps you have heard of this business financing technique... it's called ***"factoring"***. Here's how it works: many companies, especially newer, growing companies need quick turnover of their receivables to improve their cash flow. Sun Capital, Inc. serves these companies by purchasing their accounts receivable at a discount.

As soon as your prospect receives their first funding, you are on your way to making some of the biggest and most consistent income you have ever imagined! You will earn a 15% fee on whatever Sun Capital, Inc. makes from your prospect. For example: Your prospect has $100,000 per month in receivables, *(this is not as much as you think... most factoring firms have funded many businesses doing over $1,000,000 per month in sales, but the average is around $300,000 per month)*. As soon as Sun Capital, Inc. receives payment from your prospect's client, you will have earned your fee. If the discount fee is 4% per month *(which is the usual fee)*, then $100,000 x 4% = $4,000. You will earn 15% of this amount or $600 in this case, and you get it each and every time your prospect factors their receivables. How many customers can you get? Perhaps you get 3 customers per month with an average of $200,000 each. That's $600,000 per month x 4% = $24,000 x 15% = $3,600 per month for you. If you only get 3 new customers per month, using the same figures, at the end of month 2, you would be earning $7,200 per month, and after 6 months you would be earning ***$21,600 per month*** - not bad! Of course, you always have the potential to make even more!

Sun Capital, Inc. will provide you with your independent broker agreement, an analysis of what we look for in a deal, the application forms, sample advertising brochures and even comsult with you on the best type of businesses to contact, as well as the ones to avoid *(why waste your time on dead-end deals?)*. After all, what business couldn't use more cash? It is one of the best opportunities you will ever be involved with. ***YOU GIVE MONEY TO BUSINESSES THAT NEED IT !*** How hard can that be to do? And it gets even better...

You are going to make more money than you have probably ever made before. The secret to your success will come down to one thing however... how hard do you want to work? Let's say you are really lazy and only get one client per month *(no offense, but anybody could do that)*. After one year you have 12 clients, each one averaging let's say $100,000 per month. Using the figures from above, that's $100,000 per month x 12 clients = $1,200,000 x 4% = $48,000 x 15% *(your fee)* = ***$7,200 per month***. Again, not bad, but if that's all the monthly income you can make after one year, you need to find something else to do.

You can start out part-time. You do not have to quit your current job unless or until you want to. But, if you want to see how well this is going to work, just ask the next person you meet if they or anybody they know, could use extra ***CASH*** in their business. Watch what happens! It is not necessary to have a background in accounting, banking, or business to excel in this incredible money making opportunity. Start making the kind of money you know you can make. Call or send your application today. Your future has just begun... and it's going to be ***VERY*** rewarding.

"WHY CHOOSE SUN CAPITAL, INC.?"

"People, Process, Performance"

At Sun Capital, Inc. we have developed a professional staff, streamlined the factoring process and are dedicated to performance. We do this to enable us to obtain and satisfy more clients. Consider the following highlights that make Sun Capital, Inc. an industry leader:

Program Highlights

Competitive and flexible fee structures
Simple application
Deal directly with decision makers
Fast processing
Written proposals
$10,000 ~ $2,000,000 available per month per client
Advance rates up to 85%
Flexible short and long-term arrangements
Can purchase existing invoices up to 45 days outstanding
Specializing in all industries except third-party medical billing

Sun Capital, Inc. ~ Your First Choice
When Selecting a Funding Source

"Let the SUN Shine On You!"

c:\...\sunforms\whychoos.sci

IMPORTANT INFORMATION

It is very important that client applications are sent to our office as complete as possible. Showing your prospects that you understand your funding sources application process will enhance your credibility. Remember, like all other methods of financing, the application process must be fully completed.

Please review our (2) page application in its entirety. If you have any questions about our application, please call our office! The more information you provide us early on, the sooner we can evaluate the transaction and send out a proposal.

<<<Always request the following information from your prospect>>>

1) COMPLETED TWO PAGE APPLICATION Make sure your client has signed the application and provided all the necessary owners and officers information along with their home address. Review the application prior to submitting it to us.

2) MOST RECENT ACCOUNTS RECEIVABLE AGING SCHEDULE

This information is critical for us to evaluate your prospect. If they do not have a recent copy, inform us and let your prospect know that you will need to have a recent aging schedule soon! If they are motivated, you will receive it A.S.A.P.!

3) CERTIFICATE OF INCORPORATION OR FICTITIOUS NAME FILING

We need to establish the legal name and entity of the company.

4) COMPLETE CUSTOMER LIST

We must have the names, addresses and phone numbers of your prospects customers, in order to do a proper evaluation of the customers we may be able to fund.

5) SAMPLE INVOICE

Its important for us to see general information on how the prospect invoices/bills.

By providing this **basic information to** us, we can make a detailed evaluation of your prospect and their ability to **enter into a factoring relationship.** It is very important that you gather all requested information. If your having any problems acquiring this information call us for assistance.

If you must go back to your prospect several times to gather information, you will loose credibility. One of the most powerful benefits of a factor is their ability to move quickly. If the application process moves slowly because of inadequate paperwork, your prospect may loose confidence in you and seek financing elsewhere. If you keep a prospect motivated and return all the necessary documents to us when you submit the application, we can typically return a proposal to you within hours, If no other information is needed.

SUN CAPITAL, INC. ~ CLIENT APPLICATION 2
929 Clint Moore Road, Boca Raton, Florida 87
Tel: (800) 880-1709 ~ Fax: (800) 645-1942

Legal Name of Company on Articles of Incorporation : _____

a if applicable : _____

Address _____ City _____ State ____ Zip _____

Phone (____) ____-_____ Fax (____) ____-_____ E-Mail Address_____

Federal Tax ID # _____

If the Company uses a d/b/a or trade style, what is it ? _____

Company is a ____ Corp ____ Legal Partnership ____ Proprietorship ____ LLC ____ Other _____

Date Business Started: ____/____/____ State of Incorporation / Registration _____

Describe Type of Business: _____

Are receivables generated from sale of goods, sale of services, or both? ____ Goods ____ Services ____ Both

Number of Active Customers: _____ Number of Invoices per Month: _____

Normal selling terms are: _____ Are any extended terms granted? ___No ___Yes

What is your average monthly sales volume ? $_____

How much of your average monthly billing do you wish to factor? $_____

Have you ever factored your receivables ? ___ No ___Yes ~ If yes, with whom ? _____

Does the Applicant or its Principal(s) have any judgements or liens filed against them ? ___No ___Yes

es, please explain : _____

Does the Applicant or its Principal(s) have any pending lawsuits against them ? ___No ___Yes

If yes, please explain : _____

Are your Payroll, Federal and State Income Taxes Current ? ___Yes ___No ~ Explain: _____

How much bad debt did you write off last year ? $_____

Is there any security interest granted that covers accounts receivable &/or inventory?

If yes, please explain: _____

Do you have any outstanding loans ? ___No ___Yes If yes, with whom?

Name of Financial Institution : _____

Address of Financial Institution : _____

Balance owed $ _____ Contact Name : _____

Phone (____) ____-_____ Fax (____) ____-_____

Please list Bank Account(s)

Bank Name : _____ Account # _____

Contact Name: _____ Phone (____) ____-_____

ık Name : _____ Account # _____

Contact Name: _____ Phone (____) ____-_____

Please list Company's 5 L[illegible]t Customers You Wish to Factor ~ Custor will not initially be contacted
(l. e Include an Aging of Your Accounts Rec ie)

1. Company Name _____ Tel: (____) ____ ~ ____

D&B #_____ Monthly Sales $ _____ Avg. Invoice Amt. $ _____

Ship to Address_____ Phone#_____

A/P/Corp. Office Address_____ Phone#_____

2. Company Name _____ Tel: (____) ____ ~ ____

D&B #_____ Monthly Sales $ _____ Avg. Invoice Amt. $ _____

Ship to Address_____ Phone#_____

A/P/Corp. Office Address_____ Phone#_____

3. Company Name _____ Tel: (____) ____ ~ ____

D&B #_____ Monthly Sales $ _____ Avg. Invoice Amt. $ _____

Ship to Address_____ Phone#_____

A/P/Corp. Office Address_____ Phone#_____

4. Company Name _____ Tel: (____) ____ ~ ____

D&B #_____ Monthly Sales $ _____ Avg. Invoice Amt. $ _____

Ship to Address_____ Phone#_____

A/P/Corp. Office Address_____ Phone#_____

5. Company Name _____ (____) ____ ~ ____

D&B #_____ Monthly Sales $ _____ Avg. Invoice Amt. $ _____

Ship to Address_____ Phone#_____

A/P/Corp. Office Address_____ Phone#_____

Officer Name / Title	Home Address (city,state,zip) + home phone	Social Security #	Ownership %
_____	_____	_____	____
_____	_____	_____	____
_____	_____	_____	____

The foregoing information is true and correct to the best of my knowledge and is given to Sun Capital, Inc. to induce Sun Capital to consider entering into a factoring agreement with this company. I do hereby authorize Sun Capital or its agents to verify and investigate any and all of the foregoing statements, including but not limited to my / our credit worthiness and financial responsibility, in any way they may choose. I / we grant Sun Capital, Inc. the right to procure any and all credit reports pertaining to any party listed in this application, including, but not limited to, all principals of the applicant company.

Agreed and Consented to by:

Signature: _____ Title: _____

Print Name: _____ Date: ___/___/___

Date

SAMPLE

Mr./Ms. John/Jane Client
Client Company
Street Address
City ST zip

Dear **Mr./Ms. John/Jane Client**;

As per the request of **Broker Name** and on behalf of Sun Capital, Inc. ("SCI"), I am pleased to express SCI's interest in the purchase of accounts receivable from **Client Company**. SCI's proposal is conditioned upon the performance of our final due diligence and the execution of formal agreements. All other terms and conditions not covered below will be stated in SCI's Master Purchase and Sale Agreement and other documents. The following proposed terms and conditions are offered for your consideration.

General Proposed Terms

Arrangement:	Accounts receivable factoring
Security Interest:	Exclusive first lien position on accounts receivable. Subject to acceptable billing verification.
Volume:	Expected: **$ xxxxx.xx** per month to be factored based upon a 3-month revolving average
Advance Rate:	**xx %**
Credit Risk:	No recourse to Client Company if the reason for non-payment of an account debtor is bankruptcy

Sample Discount Schedule:		
	0-30	**Rate #1 %**
	31-45	**Rate #2 %**
	46-60	**Rate #3 %**
	61-75	**Rate #4 %**

76-90 **Rate #5 %**
Over 90 **Rate #6 %**

Term of Agreement: X # of months

Other Services: Professional accounts receivable management, credit checking and invoice consulting

Due Diligence Fee: **$ xxx.xx** to be submitted with the execution of this proposal. It covers the cost of lien and UCC searches, filing fees and general out-of-pocket setup expenses.

Management Reports: Client account reports will be generated weekly. Customized reports may also be available. No charge for management reports.

Account Debtors: Subject to final credit review

Attachments: Please include your Articles of Incorporation or Fictitious Name Filing, or both if applicable to your company, when submitting this proposal.

This letter is delivered to **Client Company** with the understanding that neither it nor its substance shall be disclosed to any third party, except those who are in confidential relationships with seller, such as its financial advisor, legal counsel or accountant.

Please acknowledge receipt and acceptance of the afore-stated terms and conditions by signing below and returning to my attention along with the due diligence fee of **$ xxx.xx** and requested documents. This proposal is valid only until **Month/Day/Year.** Upon receipt of same, SCI will forward to you the applicable client agreements for your execution.

We appreciate the opportunity to submit this proposal for your consideration and look forward to working with you.

Sincerely,

Howard B. Koslow
President & Chief Operating Officer

Agreed and Accepted by:

_____
Sign Name Here

_____
Print Name Here

_____
Print Title Here

_____
Enter Date Here

ANALYSIS

BACKGROUND

Factoring is the selling of accounts receivable by the business holding them (in order to obtain cash payment of the accounts before their actual due date) to a specialized agency known as a Factor. Factoring differs from borrowing in that the accounts receivable are actually sold rather than merely offered as collateral. Essentially, there are two types of factoring: recourse and non-recourse. In non-recourse factoring, once the Factor has purchased the receivable, the risk of loss due to an insolvency / bankruptcy on the part of the Seller's client (the Debtor account) is no longer with the Seller but becomes the risk of the Factor. In recourse factoring, if a debtor account does not pay his invoice, the Factor can go back to the Seller for payment. Because the credit risk ultimately stays with the Seller in recourse factoring, rates of interest charged to the Seller are governed by the usury laws of the state in which the transaction takes place. Sun Capital, Inc. ("SCI) specializes in non-recourse factoring; and therefore, is not subject to usury laws.

Although most factoring has historically been in the textile and garment fields, factors are also used extensively in the shoe, furniture, hardware and other manufacturing industries. However, the trade areas in which factors operate is substantially increasing and with few exceptions SCI purchases receivables of almost all manufacturing and service sector businesses. Although factors have almost always been commercial enterprises, a handful of banks have entered the field through acquisition of established factoring companies, as well as by opening their own factoring departments. The industry estimate of total U.S. factoring volume for 1996 is over $100 billion.

MARKET OPPORTUNITY

While the factoring market is well established and covers a wide range of industries, the intent of SCI is to exploit the field of small-to-medium-sized domestic growth businesses supplying goods and services to credit-worthy companies or government agencies. Most of these small-to-medium-sized businesses are doing from $500,000 to $15,000,000 per year in sales. The domestic economy is in an unprecedented period of restructuring. A proliferation of new businesses are being formed, due in part to the following reasons:

- Rapidly evolving technology and changing business conditions are opening up an infinite number of new business opportunities.
- Many large companies are "down-sizing" and find that contracting out to smaller companies allows them maximum flexibility and creativity while minimizing overhead.

The result of this massive economic restructuring is an expanding range of small growth businesses, limited only by their ability to finance their growth. Banks, however, are struggling with unprecedented levels of bad debt and are being prevented from providing capital to growth businesses by new burdensome regulations. Many healthy, profitable businesses are finding

that they are "unbankable". It is in this market that SCI specializes.

CUSTOMER PROFILE

The typical business that SCI seeks to establish a working relationship with is a small-to-medium-sized, locally owned business that has an established contract to supply a credit-worthy company or government agency with a quality product or service at a price that provides a good gross margin. This business will be growing at a fast rate, will not have the ability to internally finance its growth, can possibly recoup all or part of the cost of SCI's discount fee and will, in all probability, provide SCI and yourself with repeat business in the future.

The best type of businesses for you to approach are virtually all manufacturers and service providers, as long as their customers are not any of the following: lawyers, doctors, small retail businesses, and individual customers. SCI will consider purchasing invoices that are being paid by construction companies but generally it is more difficult to make construction deals. Put yourself in SCI's shoes... would you put your money on the line to buy an invoice from your prospect's customer? Chances are if you wouldn't do it, neither would SCI.

Another great way to get clients is something I personally did with great success. Go to your local Wal-Mart, Target, drug store, food store, etc. and write down the names of the manufacturers of the products on the shelves. Many retailers and food store chains use the products of local trade people (ABC Canned Tomatoes, XYZ Sunscreen, etc.). You can then contact these businesses with the foreknowledge of knowing who their customers are.

It is always a good idea to let your prospect know the SCI is not lending them any money. This is not a loan. SCI will purchase your client's accounts receivable.

PROCEDURE

Part of your marketing plan should be to target the suppliers of your area's largest and most credit-worthy companies, as well as the suppliers of federal, state and local governments. Local CPA's, bankers, investment bankers, and attorneys should be informed of your services so that they may advise their clients. Prospective client companies should be contacted by mail, phone, print advertising, and in person in order to advise them that SCI has cash available to buy their receivables.

There are several key words and phrases that have been used over the years that have worked extremely well. We urge you to start using them as soon as possible. For example, sometimes when calling a prospect* for the first time, his or her** secretary may ask you what you are calling about. "Tell Mr. Jones I'm calling about putting cash into (name of Mr. Jones' company). That will almost certainly get you past the secretary. Another great opening line to use when you do speak with Mr. Jones is, "Mr. Jones, I'm not calling to sell you anything. In fact, what I want to do is give you something... and that something is CASH to put into your business to HELP your business GROW and expand... if that makes sense to you!" CASH, HELP, GROW. Four-letter words that work! Use them often in your speech and watch your income start to increase before

your very eyes. "If that makes sense to you." I cannot over-emphasize the importance of this six-word phrase. There is a subtle, physiological inference here that will almost always make the person it is spoken to have to agree with you and say, "yes, of course it makes sense to me." To do otherwise would make him look ignorant or stupid, even to himself. He HAS to agree with you that it does make sense. And once he starts agreeing with you, you're on your way to adding another client to your growing list of customers.

* *You always want to speak to the Owner, President, CEO or CFO*
** *For simplicity sake, the male gender is used and we appreciate the fact that women will take no offense.*

Step #1 As soon as you receive an indication of interest from a prospective client, your next step should be to request the prospect to complete the simple, one- or two-page client application for a free evaluation. The application will provide the funding source, Sun Capital, with the necessary information to evaluate the prospect's validity as a factoring client: Upon receipt of application, SCI will then conduct their preliminary investigation to quickly determine whether the prospect meets their general requirements (other information will be required upon request). Remember, 90% of all funding sources processes start with the basic information provided in the application.

Step #1A If you are having difficulty convincing the prospect to complete the application, simply call SCI toll-free at (800) 880-1709, and we will contact a prospect for you, or with you via a conference call, and assist in educating the prospect on the benefits of proceeding forward in the prescribed manner.

Here are 6 basic questions that a funding source is attempting to answer in the course of the application process:

1) Is the company a solvent business operating under Federal and State laws?
2) Is there anything that would preclude the Factor from securing a first security interest in the company's accounts receivable?
3) What is the commercial credit-worthiness of the prospect's debtors?
4) Are the goods and / or services of the prospect's company fully delivered at the time of invoicing?
5) What is all the information pertaining to the size of invoices, the frequency of invoicing, as well as the dollar amount?
6) Can the invoices be properly verified for the validation process?

Step #2 As soon as the prospect has been qualified by SCI, we will fax a written proposal, both to the broker and Prospect, explaining the general terms and conditions of our offering to purchase the company's accounts receivable. This eliminates quoting generalities, which exclude the guess-work and uncertainties of a verbal proposal. SCI calls this their "Letter of Intent" (see sample included in package).

Step #3 Once the term sheet is returned to us by the client, along with the due diligence fee (generally $250~$500 depending on state of filing, as well as if the company also operates under a "dba") which covers the cost of all searches and filings and other out-of-pocket expenses. At this point, the Contract Package will be issued to the client via overnight delivery.

The Contract Package will include the following documents to be signed by the client:

1) Master Purchase & Sale Agreement
2) Certificate of Corporate Resolution (if incorporated)
3) Guaranty or Guaranty of Validity
4) Notice Letter to Customers & how-to explanation
5) Assignment Schedule (form on which the client lists the invoices for purchase)
6) Bank Wire Instruction Sheet
7) (2) UCC#1 statements
8) Information Sheet

Other documents to be requested on a case-by-case basis:

9) Invoices to be purchased and approved for funding
10) Customer List
11) Current year's financial statements
12) Prior year's corporate tax returns
13) Last (2) quarterly 941 Tax Statements

Step #4 Upon receipt of completed Contract Package, the following occurs:

1) UCC's are filed
2) Due diligence is completed
3) Verification of invoices takes place

Step #5 Client can be funded.

SUMMARY

It is really a simple process. Find business owners who need cash, call SCI and get ready to make more money than you've probably ever made before. And if you have questions or need any help, you can always call us. Good luck! Work hard. Work smart. The only way you can lose is to give up... never, never give up !!!

Howard B. Koslow
President & Chief Operating Officer

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SUN CAPITAL HEALTHCARE, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2000

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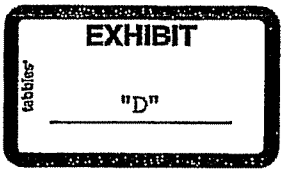
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MILLWARD & CO. CPAs

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Sun Capital Healthcare, Inc.
Boca Raton, Florida

We have audited the accompanying balance sheet of Sun Capital Healthcare, Inc. as of December 31, 2000, and the related statements of operations and accumulated deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sun Capital Healthcare, Inc. as of December 31, 2000 and the results of its operations, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Millward & Co., CPAs
Fort Lauderdale, Florida
June 24, 2001

MIAMI • FT. LAUDERDALE • BOCA RATON • WEST PALM BEACH
2745 W. Cypress Creek Road, Ft. Lauderdale, FL 33309-1757
(954) 971-7000 / WATS Line 1-800-685-2271 • FAX (954) 974-0300

SUN CAPITAL HEALTHCARE, INC.
BALANCE SHEET
December 31, 2000

ASSETS

CURRENT ASSETS:	
Cash and Cash Equivalents	$ 47,277
Accounts Receivable	230,710
Total Current Assets	277,987
PROPERTY AND EQUIPMENT at cost (Net of Accumulated Depreciation of $ 2,121)	13,507
OTHER ASSETS:	
Loan Closing Costs (Net of Accumulated Amortization of $44,539)	400,846
Total Other Assets	400,846
Total Assets	$ 692,340

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES:	
Credit Balance of Factoring Clients	$ 53,736
Accounts Payable	6,265
Due to Related Party	762,952
Total Current Liabilities	822,953
Loan Payable	551,952
Total Liabilities	1,374,905
STOCKHOLDERS' DEFICIT	
Common Stock ($1.00 par value, 10,000 shares authorized, 1,000 shares issued and outstanding)	1,000
Accumulated Deficit	(683,565)
Total Stockholders' Deficit	(682,565)
Total Liabilities and Stockholders' Deficit	$ 692,340

The accompanying notes are an integral part of these financial statement.

SUN CAPITAL HEALTHCARE, INC.
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
For the Year Ended December 31, 2000

REVENUES:	
Fee Income	$ 11,878
Other Income	126
Interest Income	1,007
	13,011
EXPENSES:	
General and Administrative	574,100
Interest	76,266
Depreciation and Amortization	46,658
Total Expenses	697,024
NET LOSS	(684,013)
RETAINED EARNINGS - BEGINNING OF YEAR	448
ACCUMULATED DEFICIT - END OF YEAR	$ (683,565)

The accompanying notes are an integral part of these financial statement.

SUN CAPITAL HEALTHCARE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Loss	$ (684,013)
Adjustments to Reconcile Net Loss to Net Cash (Used in) Operating Activities:	
Depreciation and Amortization	46,658
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	(230,710)
Increase (Decrease) in:	
Accounts Payable	6,266
Credit Balance Factoring Clients	53,736
Total Adjustments	(124,050)
Net Cash (Used in) Operating Activities	(808,063)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment	(15,628)
Net Cash (Used in) Investing Activities	(15,628)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds Due from Related Party	762,952
Loan Closing Costs	(445,384)
Long-term Debt	551,952
Net Cash Provided by Financing Activities	869,520
Net Increase in Cash and Cash Equivalents	45,829
Cash and Cash Equivalents - Beginning of Year	1,448
Cash and Cash Equivalents - End of Year	$ 47,277
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid During the Period for:	
Interest	$ 24,520

The accompanying notes are an intergral part of these financial statement.

SUN CAPITAL HEALTHCARE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2000

NOTE 1 – NATURE OF OPERATIONS/BASIS OF PRESENTATION

Sun Capital Healthcare, Inc., was incorporated in the State of Florida on July 17, 1999 for the purpose of providing financial services through the discounted purchase of healthcare, third party accounts receivable, also known as "Factoring". The Company had minimal activity prior to 2000.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

The accounting and reporting policies of Sun Capital Healthcare, Inc. (the "Company") conform to generally accepted accounting principles the general practices within the financial services industry in the United States of America. Those policies that materially affect the determination of financial position, results of operations, and cash flows are summarized below. In preparing its Financial Statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the dates shown in the balance sheet and the statement of income. Actual results could differ significantly from those estimates. Changes in economic conditions and other factors beyond the Company's control could impact the determination of material estimates such as the allowance for credit losses.

Income Recognition

At the time of purchase, the unearned discount is deducted from the face amount of the account receivable purchased. Unearned discounts are recognized as income in accordance with the terms of the accounts receivable factoring and security agreement. The factoring agreement contains an earnings schedule detailing the discount the Company is entitled to charge at various time intervals (typically a uniform discount during the first 30 days following the purchase and an incrementally higher discount each day thereafter). The Company recognizes discounts on the first day of each time interval. The Company's method of recognizing earned discounts does not differ materially from the interest method. At the time an account receivable is purchased, a due date is set by management based on the anticipated payment date. This anticipated payment date is used to identify past due receivables. The accrual of earned discounts is discontinued when, in the opinion of management, the collection of additional earnings from the client's customer, the client, guarantors or collateral held, if any, is unlikely. Accounts receivable which have been identified as past due may continue to accrue earnings if, in the opinion of management, collection of the earnings from the client's customer, the client, guarantors or collateral held, if any, is likely.

When accounts receivable are placed on a non-accrual status, earned discounts accrued in the current year are charged against current year's earnings if, in the opinion of management, the collection of such earnings is unlikely. Earned discounts accrued in prior years are charged to the allowance for credit losses if, in the opinion of management, the collection of such earnings is unlikely.

SUN CAPITAL HEALTHCARE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at the face amount outstanding, net of an allowance for credit losses. If the Company determines that it is not likely to recover from any source the amount of its initial advance and the earned but unpaid discount, then the Company promptly increases the allowance for credit losses or reduces the carrying value of the non-earning receivable to its estimated fair value and makes a charge to its allowance for credit losses, in an amount equal to the difference between the Company's investment in the non-earning receivable and its estimated fair value.

Accounts receivable generally become due within a maximum of 120 days. After this time, the Company either requires the client to repay the amount advanced on the receivable plus the earned discount under the modified recourse provisions of its agreements or, depending on an analysis of collectability, extends the payment terms of the receivable through a process referred to as "repurchasing" the receivable. If at any time the Company determines that it is unlikely to receive payment on a factored account receivable, the Company retains the right to require its clients to repay the amount the Company has advanced on the receivable plus the amount of a discount earned.

The allowance for credit losses is maintained at a level which, in management's judgment, is sufficient to absorb losses inherent in the accounts receivable portfolio. The allowance for credit losses is based upon management review and evaluation of the accounts receivable portfolio. Factors considered in the establishment of the allowance for credit losses include management's evaluation of specific accounts receivable, historical loss experience, expectations of future economic conditions and their impact on particular industries and individual clients, and other discretionary factors. The allowance for credit losses is based on estimates of potential future losses, and ultimate losses may vary from the current estimates. These estimates are typically reviewed quarterly and as adjustments become necessary, the effects of the change in estimates are reported in operations in the period in which they become known. If at any time the Company determines it is not likely to recover an account receivable in full, the receivable is appropriately written off against the allowance when the Company has exhausted its efforts against the client's customer, the client, guarantors and any additional collateral retained by the Company. Allowance for credit losses as at December 31, 2000 was $ 0.

Income Taxes

The Company's stockholders, under the provision of Section 1362(a) of the Internal Revenue Code, have elected to file the Federal Income Tax Return as a U.S. Small Business corporation. This election results in the allocation of the taxable income of the Company to the stockholders for inclusion as income in their personal returns. Since no Federal Income Tax is imposed on the Company under these regulations, none has been provided in the accompanying financial statements.

SUN CAPITAL HEALTHCARE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loan Closing Costs

Loan closing costs were capitalized and are being amortized over the term of the loan on a straight-line method.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2000, the Company had no cash equivalents.

Property and Equipment

Fixed assets are recorded at historical costs. For financial purposes depreciation is computed by using the straight-line method based on the estimated useful lives, which varies from 5 years through 15 years of the related assets. Expenditures for maintenance and repairs are charged to expenses as incurred, whereas expenditures for renewals and betterment are capitalized.

Other Income

Other income includes application fees paid by clients to the Company to cover the cost of performing credit investigations and field reviews and is recognized when received.

Credit Balances of Factoring Clients

Factored accounts are funded, on the average, at approximately 80% of the invoice amount at the time a receivable is purchased from a client. On collection of the purchased invoice, amounts collected in excess of discount fees, net of the initial payment, are remitted to the client. Such amounts may, in some instances, be applied to offset other uncollected account balances of the client from which the account was purchased.

Financial Instruments and Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are primarily cash and temporary investments and accounts receivable. The Company invests its excess cash in bank accounts with major financial institutions and the carrying value approximates market value. The Company has significant healthcare third party receivables.

SUN CAPITAL HEALTHCARE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2000

NOTE 3 – LOAN PAYABLE

On June 6, 2000, the Company executed a Credit and Security Agreement with Founding Partners Multi-Strategy Fund, L.P. for an initial maximum revolving line of credit of $2,000,000, with interest at 18% per annum. On January 5, 2001, the credit line was increased to $10,000,000. This line can be increased from time upon mutual agreement between the lender and borrower and is collateralized by the assets of the Company, and expires June 6, 2005. Interest expense for the year ended December 31, 2000 was $ 32,258. Loan closing costs approximated $445,000 and is being amortized over the loan period.

NOTE 4 – RELATED PARTY TRANSACTIONS

Due to Related Party

The Company shares expenses with a related entity. Costs aggregating approximately $763,000 have been allocated and included the following:

Loan Costs	$ 151,000
Other Legal	62,000
Payroll	165,000
Marketing	80,000
Rent	48,000
Office Expense and Maintenance	57,000
Interest	45,000
Other	155,000
Total	$ 763,000

The balance due at December 31, 2000 was $762,952.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2000:

Computer Equipment	$ 13,677
Furniture and Fixtures	1,951
Total	15,628
Accumulated Depreciation	(2,121)
	$ 13,507

NOTE 6 – INCOME TAXES

Effective November 1, 2000, as stated in Note 1, the Company has elected to be taxed under provisions of Subchapter S of the Internal Revenue Code. Prior to its election, the Company reported for tax purposes on the cash basis method and has incurred operating losses.

Stewards & Partners Limited

Hamilton, Bermuda

YEAR 2001 ANNUAL REPORT

CONFIDENTIAL, NOT FOR PUBLIC DISTRIBUTION

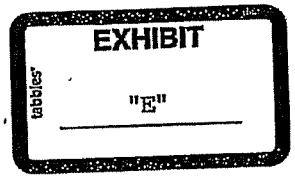
Financial Statements

Year ended December 31, 2001
(Unaudited)

And

Three Year Pro-forma Cash Flow Projections

For the three year period ending December 31, 2004



Stewards & Partners Limited

Registered office: Grosvenor House, 33 Church Street, Hamilton HM 12, Bermuda
Tel: 1 441 292 1670 Cell: 1 441 799 9727 Fax: 1 441 292 1670
E-mail: stewards@ibl.bm
Web address: www.foundingpartnerscapital.com

Stewards & Partners Limited

Hamilton, Bermuda

MISSION STATEMENT

The Mission of Stewards & Partners Limited is to provide high quality, value added investment and risk management services, and financial advisory and consulting services to qualified global investors.

BOARD OF DIRECTORS

William L. Gunlicks, Chairman
President & CEO, Founding Partners Capital Management Company, Naples, Florida, American

Robert J. Hager, President
President & COO, Stewards & Partners Limited, Hamilton, Bermuda, British

Robb W. Baldwin
President & CEO, Portfolio Management & Research, Inc. and Trade PMR, Inc., Gainesville, Florida, American

Angela Berry
Attorney and President, Somers Corporate Services Limited, Hamilton, Bermuda, Bermudian

Gordon Howard
President & CEO, Grosvenor Trust Company Limited, Hamilton, Bermuda, Bermudian

Howard B. Koslow
President & COO, Sun Capital, Inc. and Sun Capital Healthcare, Inc., Boca Raton, Florida, American

Leonard F. Llewellyn
Managing Director, Founding Partners Capital Management Company and President & CEO, Consultants Inc. of Southwest Florida, Marco Island, Florida, American

Corporate Secretary: Lisa Boyles
Grosvenor Trust Company Limited, Hamilton, Bermuda, Bermudian

Stewards & Partners Limited

Registered office: Grosvenor House, 33 Church Street, Hamilton HM 12, Bermuda
Tel: 1 441 292 1670 Cell: 1 441 799 9727 Fax: 1 441 292 1670
E-mail: stewards@ibl.bm
Web address: www.foundingpartnerscapital.com

Report to Shareholders for the financial year ending December 31, 2001

The financial year ending December 31, 2001 represented the first full trading year for the company. The directors and officers are pleased to report that the company's royalty fee income now exceeds the company's monthly standing expenses.

The company's costs have remained constant and constrained and revenue continues to increase significantly month by month.

The company operates in a competitive environment but is ideally structured and positioned to secure and enhance an investor base from both institutional and high net worth markets compelled to incorporate a stable value investment element within their investment portfolios. Investors confirm shareholders' belief that the purchase of securitzed eligible medical receivables will satisfy their investment criterion for stability of earnings.

Since commencing trading, formally, in January 2001, the company has developed a quality client base from highly regarded Bermuda based institutions, Trust companies and high net worth individuals. The company's existing clients have each indicated their intention to increase their level of investment and potential new investors already in discussion with the company will provide investor assets far in excess of the value of eligible receivables available.

Shareholders should be commended for their confidence in and commitment to the company since it's formation and can look forward to the future with optimism.

Robert J. Hager
President
February 22, 2002

Stewards & Partners Limited

Registered office: Grosvenor House, 33 Church Street, Hamilton HM 12, Bermuda
Tel: 1 441 292 1670 Cell: 1 441 799 9727 Fax: 1 441 292 1670
E-mail: stewards@ibl.bm
Web address: www.foundingpartnerscapital.com

OATH OF AFFIRMATION

The following financial statements were prepared by William L. Gunlicks, Robert J. Hager and Judy Aller.

The financial statements, prepared as of December 31, 2001, in accordance with Generally Accepted Accounting Principles (GAAP), are true and correct to the best of my knowledge, information and belief.

William L. Gunlicks
Chairman
Stewards & Partners Limited

February 22, 2002

Stewards & Partners Limited

Statement of Financial Condition
Balance Sheet

December 31, 2001
(Unaudited)

Assets	
Cash in bank	$ 5,399
Notes receivable	66,000
Total assets	$ 71,399
Liabilities	
Interest accruals	$ 153,046
Loans due July 2, 2004 @ 12%	620,000
Loans due April 1, 2006 @ 18%	198,000
Total liabilities	$ 971,046
Shareholders equity	(899,647)
Total liabilities and shareholders equity	$ 71,399

See accompanying notes to financial statements

Stewards & Partners Limited

Statement of Operations

Year ended December 31, 2001
(Unaudited)

Income from operations	
Royalty fee income	$ 82,239
Operating expenses	
Compensation	109,000
Rent	65,030
Interest expense	96,181
Registrations and legal	8,249
Other	1,054
Total operating expenses	279,514
Net loss	$197,275

See accompanying notes to financial statements

Stewards & Partners Limited

Statement of Cash Flows

Year ended December 31, 2001
(Unaudited)

Cash flows from operating activities	
Net Loss	$ (197,275)
Adjustments to reconcile net income to net cash used in operating activities:	
Increase in loan receivable	(48,000)
Net cash provided by operating activities	(245,275)
Cash flows from financing activities	
Loan proceeds	198,000
Net decrease in cash	47,275
Net cash proceeds used to finance operating activities	$ 245,275

Cash at beginning of year	$ 52,674
Cash at end of year	5,399
Net decrease in cash	$ 47,275

See accompanying notes to financial statements

Stewards & Partners Limited

Notes to Financial Statements

December 31, 2001
(Unaudited)

Organization

Stewards & Partners Limited (the "Company") is an exempted company organized under the laws of Bermuda, in accordance with Section 14 of the Companies Act 1981. The date of incorporation for the Company is December 20, 1999. The Company's registered office is located at Grosvenor House, 33 Church Street, Hamilton HM 12, Bermuda.

The Company is a Bermuda exempted company. The Mission of the Company is to provide high quality, value added investment and risk management services, and financial advisory and consulting services to qualified global investors.

Accounting Policies

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Notes Receivable

Notes Receivable of $66,000 are from an employee and represent compensation draws permitted under the Employment Contract. The earliest note is due July 28, 2003. The notes are at a simple interest rate of seven percent.

Loans

Due To	Date	Amount	Rate	Due Date
Founding Partners Equity Fund, L.P.	7-2-99	$440,000	12%*	7-2-04
	4-1-01	80,000	18%	4-1-06
Founding Partners Global Fund Class A	7-2-99	180,000	12%*	7-2-04
	4-1-01	25,000	18%	4-1-06
Founding Partners Stable-Value Fund, L.P.	4-24-01 to 12-19-01	$93,000	18%	4-1-06

*See note on following page: Loans with Stock Shares

Continued

Stewards & Partners Limited

Hamilton, Bermuda

Memorandum *Confidential, Not For External Distribution*

To: The Directors, Management and Shareholders

From: William L. Gunlicks, Chairman

Date: February 26, 2002

Re: **Stewards & Partners Limited ("Stewards") Operating Cash Flow Analysis**

Background and Summary: During the years 1999 and 2000, Stewards, Founding Partners Capital Management Company, and Sun Capital Healthcare, Inc. developed and structured the Receivable Investment Program ("Program") (which is detailed separately). Sun Capital heavily invested in the infrastructure necessary to develop and operate a successful health care receivable funding operation. Significant working capital funds were required for the development of the investment product of the Program, and were provided to Stewards from loans received from Founding Partners Equity Fund, L.P. and Founding Partners Global Fund Class A Shares. Founding Partners Capital, working with its legal counsel, drafted a Credit and Security Agreement that addressed the valuation and documentation risks associated with the Program.

The Program was implemented on a test basis starting in July 2000 with financing provided from Founding Partners Multi-Strategy Fund, L.P. Based upon the operational success achieved during the test period, Founding Partners Capital and Sun Capital made the decision that the Program was ready to be fully implemented and marketed beginning in January 2001.

In the meantime, prospective qualified investors were identified: by Stewards, through Bob Hager; by Founding Partners Capital through Bill Gunlicks and Leonard Llewellyn; and by PMR, Inc. through Robb Baldwin.

Last year was the first full year of operations. There were no operating, systems, accounting or audit problems, and our investors have been pleased with the investment returns. Due to your diligent efforts, the Program has been well received in the marketplace and investor interest is high.

Continued...

Operating Cash Flow: Stewards' revenue is the from the Royalty Fee (i.e. management fee) it charges the investors of Founding Partners Stable-Value Fund, L.P. (name changed last year from "Multi-Strategy") and Founding Partners Global Fund for having provided the extensive working capital, market knowledge and expertise to develop the Program's investment product (the Fund's investors benefit from the Program's attractive risk-adjusted investment returns). The Fee is one percent (1% annualized) times each Fund's total assets invested in the Program.

Stewards' expenses are the operating and compensation expenses of the Hamilton, Bermuda office ($176,000 projected for 2002) and interest expense ($112,000 projected for 2002).

We anticipate that the Second Quarter of 2002 will reflect *profitable results* for Stewards with operations *generating positive cash flow* after all expenses. As the attached Three Year Pro-forma Cash Flow Projection chart indicates, sufficient cash flow is achieved to *pay all loans* in full *before* their due dates.

Projected new loan investment funding increases $4 million per month during years 2002 and 2003. This estimate was determined after consultation with Howard Koslow and Larry Leader and is supported by the current high level of scheduled new receivable fundings.

Stewards is well positioned for another successful year. I appreciate the support you have provided to this effort, and look forward to your continuing comments and suggestions.

Again, thank you!

Bill Lembeck

STEWARDS & PARTNERS LIMITED

THREE YEAR PRO-FORMA CASH FLOW PROJECTION

Except for the Average Assets Column, the numbers below are in $ thousands

Assumptions: New loan investment funding (Average Assets Column below) increases at $4 million per month, and beginning in year 2004 increases at $5 million per month. Cash flow is applied in the following order: operating expenses, interest expense, payment of interest accrual, and repayment of loans (the 18% loans first, then the 12% loans; see Notes A through F).

Quarter	Average Assets in $ millions	Fee Income @ 1%	Operating Expenses	Interest Expense	Quarterly Cash Flow	Cumulative Cash Balance		Cumulative Cash Available For Dividends
1 2002	20	50	44	28	(22)	(22)		
2	32	80	44	28	8	(14)		
3	44	110	44	28	38	24		
4	56	140	44	28	68	92		
1 2003	68	170	47	28	95	34	See Note A	
2	80	200	47	28	125	41	See Note B	
3	92	230	47	23	160	16	See Note C	
4	104	260	47	15	198	9	See Note D	
1 2004	119	297	52	9	236	5	See Note E	
2	134	335	52	2	281	216	See Note F	216
3	149	372	52	None	320	536	Loans Paid	536
4	164	410	52	None	358	894	Loans Paid	894

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STEWARDS & PARTNERS LIMITED

NOTES TO THREE YEAR CASH FLOW PROJECTION

Note A: Interest Accrual of $153,046 paid.

Note B: Founding Partners Stable-Value Fund, L.P. 18 % Notes totaling $93,000 paid, and Founding Partners Global Fund Class A Shares 18% Note of $25,000 paid.

Note C: Founding Partners Equity Fund, L.P. 18% Note of $80,000 paid, and a payment of $75,000 applied to the Founding Partners Equity Fund, L.P. 12% Note, and a payment of $30,000 applied to the Founding Partners Global Fund Class A Shares 12% Note.

Note D: A payment of $145,000 applied to the Founding Partners Equity Fund, L.P. 12% Note, and a payment of $60,000 applied to the Founding Partners Global Fund Class A Shares 12% Note.

Note E: A payment of $170,000 applied to the Founding Partners Equity Fund, L.P. 12% Note, and a payment of $70,000 applied to the Founding Partners Global Fund Class A Shares 12% Note.

Note F: A payment of $50,000 applied to the Founding Partners Equity Fund, L.P. 12% Note which represents payment in full of the Note, and a payment of $20,000 applied to the Founding Partners Global Fund Class A Shares 12% Note which represents payment in full of the Note.



5100 N. Tamiami Trail, Suite 110, Newgate Center, Naples, Florida 34103
Telephone: 239-514-2900 Facsimile: 239-514-2901

Performance Report as of January 31, 2009

FOUNDING PARTNERS STABLE-VALUE FUND, L.P.

MONTHLY AND ANNUAL RESULTS AFTER FEES AND EXPENSES

The returns below represent the net return, after an annualized management fee of 1 3/4% and other Fund expenses, of a U.S. single capital account investor in the Fund whose account had no additional investments or redemptions during the period of performance measurement. The total net return of the Fund as a whole may vary from the single capital account investor return, as outlined in the Fund's Annual Audit report.

2009		2008		2007		2006		2005		2004		2003		2002		2001	
Jan	1.08%	Jan	1.08%	Jan	1.06%	Jan	1.08%	Jan	1.06%	Jan	1.10%	Jan	1.12%	Jan	1.20%	Jan	0.88%
		Feb	1.06%	Feb	1.05%	Feb	1.07%	Feb	0.98%	Feb	1.07%	Feb	1.14%	Feb	1.22%	Feb	1.17%
		Mar	1.05%	Mar	1.05%	Mar	1.07%	Mar	1.05%	Mar	1.08%	Mar	1.11%	Mar	1.18%	Mar	0.99%
		Apr	1.08%	Apr	1.06%	Apr	1.07%	Apr	0.95%	Apr	1.06%	Apr	1.12%	Apr	1.12%	Apr	1.03%
		May	1.08%	May	1.07%	May	1.03%	May	1.03%	May	1.00%	May	1.15%	May	1.20%	May	1.10%
		Jun	1.07%	Jun	1.08%	Jun	1.05%	Jun	1.03%	Jun	1.06%	Jun	1.21%	Jun	1.18%	Jun	1.09%
		Jul	1.09%	Jul	1.05%	Jul	1.05%	Jul	1.06%	Jul	1.02%	Jul	1.11%	Jul	1.15%	Jul	1.06%
		Aug	1.09%	Aug	1.08%	Aug	1.08%	Aug	1.06%	Aug	0.95%	Aug	1.13%	Aug	1.14%	Aug	1.10%
		Sep	1.09%	Sep	1.06%	Sep	1.05%	Sep	1.05%	Sep	1.01%	Sep	1.02%	Sep	1.11%	Sep	1.11%
		Oct	1.07%	Oct	1.09%	Oct	1.05%	Oct	1.04%	Oct	0.98%	Oct	1.03%	Oct	1.13%	Oct	1.11%
		Nov	1.06%	Nov	1.00%	Nov	1.06%	Nov	1.08%	Nov	1.06%	Nov	1.07%	Nov	1.18%	Nov	1.15%
		Dec	1.05%	Dec	-.81%	Dec	1.07%	Dec	1.09%	Dec	1.06%	Dec	1.05%	Dec	1.13%	Dec	1.21%
		2008	13.7%	2007	11.4%	2006	13.5%	2005	13.2%	2004	13.2%	2003	14.1%	2002	14.9%	2001	13.8%

The one-year performance ending 1-31-09 is 13.7%.
The Standard Deviation of the returns is less than one (0.70), and the Sharpe Ratio is 16.9.

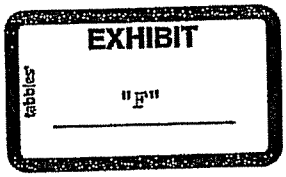
Current Annualized Yields:		
	3 Month U.S. Treasury Bill	0.2%
	10 Year U.S. Treasury Note	2.8%
	Dow Jones Corporate Bond Index	6.6%

NET RETURN OF THE STABLE-VALUE FUND FOR A SINGLE CAPITAL ACCOUNT, AS DESCRIBED ABOVE, SINCE INCEPTION 1-1-01 (97 months) COMPARED WITH TWO MARKET BENCHMARKS FOR THE SAME PERIOD

Founding Partners Stable-Value Fund	174.6%
2 Year U.S. Treasury Note	44.5%
S & P 500 Index (Total Return)	-27.6%

Past Performance Is Not Necessarily Indicative Of Future Results

Continued...



FOUNDING PARTNERS
CAPITAL MANAGEMENT COMPANY

INVESTMENT YIELD: The Fund's investment returns are not influenced by the prevailing equity and debt markets. The monthly return is simply the result of that month's *investment mix* between the Fund's investment asset's gross monthly return, and the lower money market yield. The Fund's optimal return would be achieved by full investment in the receivable program. However, the *availability* of receivables that meet the Fund's strict investment grade criteria, and the *timing* of their funding, fluctuates daily. When eligible receivables are not available, those funds not currently invested in receivables are invested in other stable value style investments and a money market account. The Fund's annualized *target* investment mix is to *average* 97% in investment assets, with the balance in the money market account. *If achieved*, this investment mix would result in a pre-tax annualized return after fees and expenses in the range of 13%.

VOLATILITY: The volatility of the Fund is low. The Standard Deviation, a statistical measure of volatility and risk, of the Fund is less than 1, compared with 7 for the Long-term Bond Index and 18 for the S&P 500 Stock Index.

PORTFOLIO COMPOSITION AND QUALITY: The majority (about 99%) of the Fund's assets at January month-end were invested in loans provided to the Sun Capital Group: Sun Capital Healthcare, Inc. (about 95%), Sun Capital, Inc. (about 3%), and Promise Healthcare (about 1%); with the remaining in cash and other assets (less than 1%). Sun Capital Healthcare is a privately owned, non-rated, receivable funding company, which uses the proceeds of the loans to finance its purchase, at a discount, of healthcare receivables. The loans are secured by the healthcare receivables, which are the payment obligations of Federal and State government agencies, and certain U.S. insurance companies rated by various rating firms, such as Moody's, Standard & Poor's and A.M. Best. The rating composition of the payors is, approximately, as follows: U.S. Federal and State Government risk, 80%; Aaa and Aa, 12%; A and Baa, 3%; and Ba and B, 1%.

The Fund also provides loans to Sun Capital, Inc., a well established, privately owned (by the same principals of Sun Capital Healthcare, Inc.), non-rated receivable funding company, which uses the proceeds of the loans to finance its purchase, at a discount, of certain pre-qualified and verified commercial receivables. The loans are secured, through enforceable UCC-1 filings, by the commercial receivables, which are the payment obligations of U.S. companies and U.S. government entities. Default insurance on the non U.S. Government receivables is provided from the world's largest credit insurer, rated AA+, of commercial trade receivables.

PORTFOLIO CONCENTRATION AND DIVERSIFICATION: About 39% of the healthcare receivable portfolio is the payment obligation of Medicare and about 41% Medicaid; about 4% represents the payment obligation of State sponsored insurance entities, and the balance of 16% represents the payment obligation of U.S. insurance companies and U.S. health care plans, such as Blue Cross/Blue Shield. Of the non-government receivables, no insurance company/plan represents more than 1% of the portfolio.

A copy of the Fund's annual audit, a copy of the Fund's quarterly total capital reconciliation statement, and a copy of the Company's SEC Disclosure Brochure are available upon request.

THIS IS NOT AN OFFERING OF INTERESTS IN FOUNDING PARTNERS STABLE-VALUE FUND, L.P. THE OFFERING IS MADE ONLY THROUGH THE CONFIDENTIAL MEMORANDUM.

Founding Partners Stable-Value Fund, LP

Founding Partners Capital Management Company
5100 North Tamiami Trail, Suite 110, Newgate Center
Naples Florida 34103
Phone 239-514-2900 Fax 239-514-2901
Contact William L. Gunlicks Email partners@foundingpartnerscapital.com

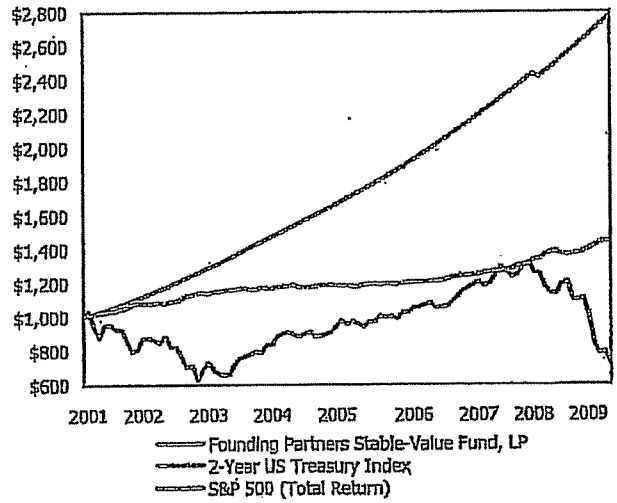
Benchmark 1 (BM1): 2-Year US Treasury Index
Benchmark 2 (BM2): S&P 500 (Total Return)

Fund Description

The Stable-Value Fund's investment objective is to achieve above-average rates of return in the long-term, while preserving capital and its purchasing power in the short-term. The Fund is designed to accomplish this objective through the implementation of a Stable Value investment strategy that has low to no correlation to the equity and bond markets. The majority of the Fund's assets, through a security interest provided in the Loan and Security Agreement, are invested to finance the purchase, at a discount, of eligible investment grade health care receivables that are the payment obligation of U.S. insurance companies, Blue Cross/Blue Shield plans or U.S. government health care agencies such as Medicare and Medicaid. The risks associated with the investment and lending process are not influenced by the market, but are related to extensive contractual documentation and receivable valuation requirements, as described in the Fund's Offering Memorandum. The returns below represent the net return, after an annualized management fee of 1.75% and other Fund expenses, of a U.S. single capital account investor in the Fund whose account had no additional investments or redemptions during the period of performance measurement. The total return for the Fund as a whole is outlined in the Fund's Annual Audit report.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009	1.08%												1.08%
2008	1.08%	1.06%	1.05%	1.08%	1.08%	1.07%	1.09%	1.09%	1.09%	1.07%	1.06%	1.05%	13.66%
2007	1.06%	1.05%	1.05%	1.06%	1.07%	1.08%	1.05%	1.08%	1.06%	1.09%	1.00%	-0.81%	11.37%
2006	1.08%	1.07%	1.07%	1.07%	1.03%	1.05%	1.05%	1.08%	1.05%	1.05%	1.06%	1.07%	13.50%
2005	1.06%	0.97%	1.05%	0.95%	1.03%	1.03%	1.06%	1.06%	1.05%	1.04%	1.08%	1.09%	13.21%
2004	1.10%	1.07%	1.08%	1.06%	1.00%	1.06%	1.02%	0.95%	1.01%	0.98%	1.06%	1.06%	13.19%
2003	1.12%	1.14%	1.11%	1.12%	1.15%	1.21%	1.11%	1.13%	1.02%	1.03%	1.07%	1.05%	14.10%
2002	1.20%	1.22%	1.18%	1.12%	1.20%	1.18%	1.15%	1.14%	1.11%	1.13%	1.18%	1.13%	14.87%
2001	0.88%	1.17%	0.99%	1.03%	1.10%	1.09%	1.06%	1.10%	1.11%	1.11%	1.15%	1.21%	13.80%

Growth of $1,000



Fund Statistics

Annualized Return	13.46%
Standard Deviation	0.69%
Sharpe Ratio (1.0%)	16.88
Cumulative Return Since Jan 2001	177.5%
Average Monthly Return	1.06%
Profitable Months 96/97	98.97%
Profitable Quarters 32/32	100.00%
Best Month	1.22%
Worst Month	-0.81%

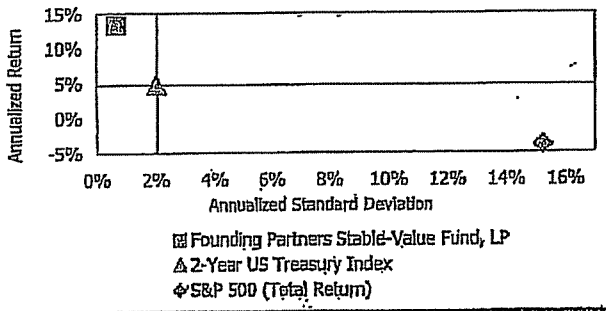
Fund Information

Strategy	Structured Finance
Minimum Investment	$500,000
Management Fee	1.75%
Incentive Fee	None
Subscription	Monthly
Redemption	Quarterly, 60 days notice
Reporting Period	Monthly
Auditors	Ernst & Young LLP
Legal Counsel	Mayer Brown LLP

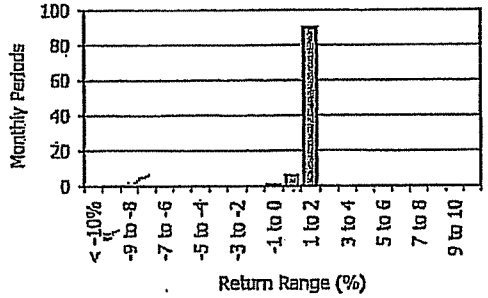
Fund Correlation to Benchmarks

	BM1	BM2
Alpha	1.06%	1.06%
Annualized Alpha	13.46%	13.46%
Beta	0.001	(0.000)
Correlation	0.003	(0.010)

Risk/Return Scatterplot



Distribution of Returns



THIS IS NOT AN OFFERING OF INTERESTS IN FOUNDING PARTNERS STABLE-VALUE FUND, L.P.
THE OFFERING IS MADE ONLY THROUGH THE CONFIDENTIAL OFFERING MEMORANDUM
*** PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS ***

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED BALANCE SHEET
December 31, 2008

	ASSETS			
		Per General Ledger		Note Related Liquidation Basis
CURRENT ASSETS				
Cash		$ 10,350,592		10,488,592
Accounts Receivable		481,035,785		135,000,000
Prepaid Expenses		467,170	Receivables	450,000,000
Due From Related Parties				
	Total Current Assets	501,540,847		
PROPERTY AND EQUIPMENT at cost (Net of Accumulated depreciation)		12,066		
OTHER ASSETS				
Loan Costs, net				
Due from Related Parties		55,595,220		
Other Receivables		2,296,985		
Security Deposits				
	Total Other Assets	57,891,705		
	Total Assets	$ 559,604,698		595,451,592
	LIABILITIES AND STOCKHOLDERS' DEFICIT			
CURRENT LIABILITIES				
Accounts Payable		$ 59,400		59,400
Accrued Expenses		7,094,653		7,094,653
Credit Balances of Factoring Clients		10,982,988		
Line of Credit		375,000		375,000
	Total Current Liabilities	18,511,041		0,553,753
Notes Payable, Subordinated Debt - Related Party		250,000		250,000
Line of credit		537,604,318		537,604,318
	Total Liabilities	550,665,359		546,108,071
STOCKHOLDERS' DEFICIT				
Common Stock ($1.00 par value, 15,000 shares authorized, 300 shares issued and outstanding)		300		300
Paid-In-Capital		154,950		40,569,142
Treasury Stock		(47,000)		-47,300
Accumulated (Deficit)		2,831,079		7,031,570
	Total Stockholders' (Deficit)	2,939,329		49,350,571
	Total Liabilities and Stockholders' Deficit	$ 559,604,698		595,458,642

NOTE

Such projections reflect various assumptions made by the Companies concerning anticipated results, which are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Companies and which may or may not prove to be correct. As a result, no representation or warranty is made as to the feasibility or attainability of the projected financial information or the assumptions from which the projected financial information is derived and the actual results may be materially different. There can be no assurance that the projections will be realized.

DSH = $161,057,164

tabbies

EXHIBIT
"G"

Sun Capital Healthcare, Inc and Sun Capital, Inc
Due from Related Parties
December 31, 2008

	Health Care Total	Inc	Management Serv	Elimination	Inc Total	Elimination	Combined
SCI Management Serv	257,063				-		257,063
World Factor	2,976	316,406			316,406		319,382
LH Acquisition	10,414,297				-		10,414,297
Promise	33,477,172	6,671			6,671		33,485,843
Master Factor	3,851				-		3,851
Med Tech Lab	27,536				-		27,536
Langlappe	1,133,457				-		1,133,457
Courtyard Ventures		4,634,270			4,634,270		4,634,270
Great Northern Partners		15,000			15,000		15,000
Emerald Hills		189,954			189,954		189,954
Sun Capital, Inc	~~73,353,884~~				-	~~(73,353,884)~~	-
SC Management Serv		651,094		(651,094)	-		-
Receivable Symbio		471,480			471,480		471,480
Medical Management Serv		31,666			31,666		31,666
HLP Properties	1,400,000				-		1,400,000
SC Group	366,449	8,720			8,720		375,169
Loan HIOPB		57,091			57,091		57,091
Interest Receivable		1,509,621		(373,602)	1,136,019		1,136,019
Atlantic Shores		5,000			5,000		5,000
Sun Capital Funding		100			100		100
Howard and Peter		1,314,000			1,314,000		1,314,000
The SC Group Inc		116,447			116,447		116,447
Trieste		207,595			207,595		207,595
Final Bal per GL	120,436,885	9,537,115	-	(1,024,696)	8,512,419	(73,353,884)	55,595,220
Promise reclass		-			-		-
Bal per Financial Statements	120,436,885	9,537,115	-	(1,024,696)	8,512,419	(73,353,884)	55,595,220

A - L H acquisition / Promise mortgage
B - Other mortgages (detail requested)
C - Funded from SC Healthcare earnings
D - Other investment by SC, Inc in a real estate transaction (five Founding Partners)
E - mortgage
F - Bridge loan from SC, Inc funded from earnings

Sun Capital Healthcare, Inc. and Sun Capital Inc.

Per Sun Capital

A/R per 12/31/08 Balance Sheet	401,000,000	
Less:		
Accrued Fee Adjustment	-38,000,000	A
California Medical	-25,400,000	B
Advances against future receivables	-24,800,000	C
Baton Rouge lease advances - equipment	-3,300,000	D
Vidalia construction advances – equipment	-4,600,000	D
Silver Lake advances	-3,900,000	E
A/R 12/31/08	391,000,000	

Bill Gublicks Notes

A Accrued processing fees due to Sun Capital Healthcare not reflected in account receivables aging report.

B Delayed receivable payments beyond 150 days due, mostly in California. Account receivables aging report system excludes these receivables from the borrowing base, however, payment is expected based prior experience.

C Provider numbers delayed by third party processor, expect payment..

D Equipment leases, will receive payments from hospitals.

E. Patrick to follow

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED BALANCE SHEET
October 31, 2008

ASSETS

CURRENT ASSETS		
Cash	$	5,868,700
Accounts Receivable		508,776,264
Prepaid Expenses		76,451
Due From Related Parties		-
Total Current Assets		514,721,415
PROPERTY AND EQUIPMENT at cost		
(Net of Accumulated depreciation)		14,036
OTHER ASSETS		
Loan Costs, net		-
Due from Related Parties		47,967,727
Other Receivables		2,320,654
Security Deposits		-
Total Other Assets		50,288,381
Total Assets	$	565,023,832

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES		
Accounts Payable	$	68,034
Accrued Expenses		6,862,315
Credit Balances of Factoring Clients		30,870,469
Line of Credit		525,000
Total Current Liabilities		38,325,818
Notes Payable - Subordinated Debt - Related Party		250,000
Line of credit		524,854,318
Total Liabilities		563,430,136
STOCKHOLDERS' DEFICIT		
Common Stock ($1.00 par value, 15,000 shares authorized, 300 shares issued and outstanding)		300
Paid-In-Capital		154,950
Treasury Stock		(47,500)
Accumulated (Deficit)		1,485,946
Total Stockholders' (Deficit)		1,593,696
Total Liabilities and Stockholders' Deficit	$	565,023,832

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED STATEMENT OF OPERATIONS
FOR THE TEN MONTHS ENDED OCTOBER 31, 2008

REVENUES:	
Factoring Fees	$ 70,735,203
Other Income	317,343
Interest Income	688,315
Interest Income -Related parties	728,481
Total Income	72,469,342
EXPENSES	
Interest Expense	58,596,661
Interest Expense - Related Party	-
Salaries, Benefits and Related Taxes	2,226,465
Provision for Credit Losses	-
Professional Fees	949,451
Selling, General and Administrative Expenses	2,828,396
Depreciation & Amortization	18,863
Total Expenses	64,619,836
NET INCOME (LOSS)	$ 7,849,506

Sun Capital Healthcare, Inc.
And Sun Capital, Inc.
Combined Statement of Collateral
October 31, 2008

Per Financial Statements	
Line of Credit - Founding Partners - Short Term	225,000
Line of Credit - Founding Partners	525,154,318
Total Due Founding Partners	525,379,318
Less:	
Cash	5,868,700
Command Note	4,500,000
LH Acquisition Note	1,133,000
Lagniappe Mortgage	10,233,000
Bossier Land Acquisition Corp	12,087,999
	33,822,699
Adjusted Loan Balance	491,556,619
A/R per Financial Statements	508,776,264
Add: Medical & San Diego Medicare	19,286,969
	528,063,233
A/R Collateral Percentage	93.09%

Sun Capital Healthcare, Inc.
And Sun Capital, Inc.
Combined Statement of Collateral
October 31, 2008

Per Financial Statements	
Line of Credit - Founding Partners - Short Term	225,000
Line of Credit - Founding Partners	525,154,318
Total Due Founding Partners	525,379,318
Less:	
Cash	5,868,700
Command Note	4,500,000
LH Acquisition Note	1,133,000
Lagniappe Mortgage	10,233,000
Bossier Land Acquisition Corp	12,087,999
	33,822,699
Adjusted Loan Balance	491,556,619
A/R per Financial Statements	508,776,264
Add: Medical & San Diego Medicare	19,286,969
	528,063,233
A/R Collateral Percentage	93.09%

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED BALANCE SHEET
September 30, 2008

ASSETS

CURRENT ASSETS	
Cash	$ 13,343,732
Accounts Receivable	500,485,154
Prepaid Expenses	94,730
Due From Related Parties	-
Total Current Assets	513,923,616
PROPERTY AND EQUIPMENT at cost (Net of Accumulated depreciation)	15,021
OTHER ASSETS	
Loan Costs, net	-
Due from Related Parties	44,850,831
Other Receivables	2,302,017
Security Deposits	-
Total Other Assets	47,152,848
Total Assets	$ 561,091,485

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES	
Accounts Payable	$ 615
Accrued Expenses	6,670,957
Credit Balances of Factoring Clients	38,445,832
Line of Credit	600,000
Total Current Liabilities	45,717,404
Notes Payable - Subordinated Debt - Related Party	250,000
Line of credit	514,179,318
Total Liabilities	560,146,722
STOCKHOLDERS' DEFICIT	
Common Stock ($1.00 par value, 15,000 shares authorized, 300 shares issued and outstanding)	300
Paid-in-Capital	154,950
Treasury Stock	(47,500)
Accumulated (Deficit)	837,013
Total Stockholders' (Deficit)	944,763
Total Liabilities and Stockholders' Deficit	$ 561,091,485

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008

REVENUES:	
Factoring Fees	$ 63,006,874
Other Income	317,343
Interest Income	604,993
Interest Income -Related parties	433,331
Total Income	64,362,541
EXPENSES	
Interest Expense	51,759,064
Interest Expense - Related Party	-
Salaries, Benefits and Related Taxes	2,035,530
Provision for Credit Losses	-
Professional Fees	865,249
Selling, General and Administrative Expenses	2,531,747
Depreciation & Amortization	17,878
Total Expenses	57,209,468
NET INCOME (LOSS)	$ 7,153,073

Sun Capital Healthcare, Inc.
And Sun Capital, Inc.
Combined Statement of Collateral
September 30, 2008

Per Financial Statements	
Line of Credit - Founding Partners - Short Term	300,000
Line of Credit - Founding Partners	514,479,318
Total Due Founding Partners	514,779,318
Less:	
Cash	13,343,732
Command Note	4,500,000
LH Acquisition Note	1,133,000
Lagniappe Mortgage	10,233,000
Bossier Land Acquisition Corp	12,087,999
	41,297,731
Adjusted Loan Balance	473,481,587
A/R per Financial Statements	500,485,154
A/R California Delays	25,496,000
Total A/R	525,981,154
A/R Collateral Percentage	90.02%

ENVISION HOSPITAL CORPORATION
INVOICE AGING REPORT
Grouped By Clients
Summary Aging
As Of 9/30/2008

(Report Format 1)

FOREST PARK HOSPITAL CORP.
6150 OAKLAND AVE.
ST. LOUIS, MO 63139

Client Id: 966

Ph: 314-768-3177 Fax: 314-768-3990

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	3,235,366.98	1,507,370.28	374,280.02	342,435.26	455,428.68	293,780.81	262,071.93	S
		46.59%	11.57%	10.58%	14.08%	9.08%	8.10%	

MICHAEL REESE MEDICAL CTR CORP.
2929 SOUTH ELLIS AVE.
CHICAGO, IL 60616

Client Id: 967

Ph: 312-791-3545 Fax: 312-791-2299

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	1,609,730.89		17,409.77	357,376.29	394,258.12	581,324.60	259,361.91	S
			1.08%	22.20%	24.49%	36.11%	16.11%	

PACIFICA OF THE VALLEY CORP.
9449 SAN FERNANDO ROAD
SUN VALLEY, CA 91352

Client Id: 968

Ph: 818-252-2495 Fax: 818-252-2497

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	6,759,203.52	2,259,990.89	1,592,902.00	1,247,283.96	702,532.57	372,943.65	278,938.82	304,611.63
		33.44%	23.57%	18.45%	10.39%	5.52%	4.13%	4.51%

ST. ALEXIUS HOSPITAL CORP.
3933 SOUTH BROADWAY
ST. LOUIS, MO 63118

Client Id: 969

Ph: 314-865-7917

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	3,069,825.02	1,721,874.97	599,064.67	279,509.74	179,444.73	161,758.29	128,172.42	S
		56.09%	19.51%	9.11%	5.85%	5.27%	4.18%	

ENVISION HOSPITAL CORPORATION
INVOICE AGING REPORT
Grouped By Clients
Summary Aging
As Of 9/30/2008
Company Totals

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Company Totals:	14,674,126.21	5,489,236.14	2,583,656.66	2,226,605.25	1,731,664.10	1,409,807.35	928,545.08	304,611.63
		37.41%	17.61%	15.17%	11.80%	9.61%	6.33%	2.08%

Number Of Clients Reported: 4

BATON ROUGE SPECIALTY MEDICAL CENTER
201 EAST LOUISIANA AVE
RAYNE, LA 70578

Client Id: 902

Ph: 999-999-9999

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	7,947,649.02	1,679,455.23	5,647,832.77	426,377.28	161,333.55	32,650.19		
		21.13%	71.06%	5.36%	2.03%	0.41%		

GOLDEN TRIANGLE
2555 JIMMY JOHNSON BLVD.
3RD FLOOR
PORT ARTHUR, TX 77640

Client Id: 897

Ph: 000-000-0000 Fax: 000-000-0000

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	8,326,646.16	1,975,133.97	6,175,141.02	146,913.46	29,457.71			
		23.72%	74.16%	1.76%	0.35%			

LAGNIAPPE HOSPITAL INCORPORATED
1800 IRVING PLACE
SHREVEPORT, LA 71101

Client Id: 560

Contact: ROBERT HICKS

Ph: 318-235-6395 Fax: 318-424-2627

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	27,908,065.29	6,094,869.97	21,288,702.58	290,625.02	124,879.16	108,988.56		
		21.84%	76.28%	1.04%	0.45%	0.39%		

PHOENIX SPECIALTY MEDICAL CENTER
201 EAST LOUISIANA AVE
RAYNE, LA 70578

Client Id: 900

Contact: 00

Ph: 000-000-0000 Fax: 000-000-0000

		Invoice Aging By Invoice Date						
		1 To 30	31 To 60	61 To 90	91 To 120	121 To 150	151 To 180	Over 180
Client Totals:	15,576,378.57	3,316,309.71	11,993,825.11	58,615.06	56,010.36	151,618.33		
		21.29%	77.00%	0.38%	0.36%	0.97%		

Confidential

Sun Capital Healthcare, Inc. and Sun Capital, Inc.

Attachment VI – Combined Balance Sheet Unaudited

DSH = $87,500,000

December 31, 2007

	Sun Capital, Inc.	Sun Capital Healthcare, Inc.	Eliminations	Combined Total
Assets				
Current assets:				
Cash	$ 10,774,691	$ 7,346,470	$ –	$ 18,121,161
Accounts receivable	25,029,926	328,596,774	–	353,626,700
Prepaid expenses	33,820	1,700	–	35,520
Due from related parties	–	55,326,048	(55,326,048)	–
Total current assets	35,838,437	391,270,992	(55,326,048)	371,783,381
Property and equipment at cost (net of accumulated depreciation)	13,629	19,270	–	32,899
Other assets:				
Loan costs, net	–	–	–	–
Due from related parties	8,046,256	18,540,121	–	26,586,377
Other receivables	1,490,601	–	–	1,490,601
Security deposits	–	–	–	–
Total other assets	9,536,857	18,540,121	–	28,076,978
Total assets	$ 45,388,923	$ 409,830,383	$ (55,326,048)	$ 399,893,258
Liabilities and stockholders' deficit				
Current liabilities:				
Accounts payable	$ 29,420	$ 20,744	$ –	$ 50,164
Accrued expenses	266,358	4,440,916	–	4,707,274
Credit balances of factoring clients	4,349,026	41,026,377	–	45,375,403
Line of credit	900,000	300,000	–	1,200,000
Due to related party	55,326,048		(55,326,048)	–
Total current liabilities	60,870,852	45,788,037	(55,326,048)	51,332,841
Notes payable - long term	–	–	–	–
Notes payable - subordinated debt - related party	250,000	–	–	250,000
Line of credit	18,584,647	334,728,579	–	353,313,226
Total liabilities	79,705,499	380,516,616	(55,326,048)	404,896,067
Stockholders' deficit:				
Common stock ($1.00 par value, 7,500 shares authorized, 150 shares issued and outstanding)	150	150	–	300
Paid-in-capital	154,950	–	–	154,950
Treasury stock	(47,500)	–	–	(47,500)
Accumulated (deficit)	(34,424,176)	29,313,617	–	(5,110,559)
Total stockholders' (deficit)	(34,316,576)	29,313,767	–	(5,002,809)
Total liabilities and stockholders' deficit	$ 45,388,923	$ 409,830,383	$ (55,326,048)	$ 399,893,258

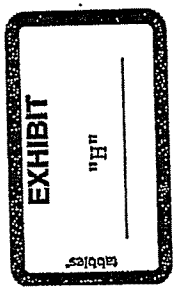
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Summary of non-authorized uses by Sun Capital of Stable Value loan proceeds (per Credit and Security Agreement)

Line of Credit Balance	$537,804,318	(1)	per 12.31.08 balance sheet (II)
Non-authorized uses of the Line of Credit Balance			
Non-compliant accounts receivable:			
medical receivables > 120 days	1,101,196	(2)	per 12.31.08 aged a/r report (I)
non-medical receivables > 120 days	1,730,168	(3)	per 12.31.08 aged a/r report (I)
workers comp receivables	53,448,622	(4)	per 12.31.08 aged a/r report (I)
Expected DSH payments	161,057,164	(5)	per 12.31.08 aged a/r report (I)
Unsecured working capital advances (advances on future receivables, etc.)	97,782,256	(6A - 6B)	variance btw 12.31.08 balance sheet a/r balance (II) and aged a/r report (I)
Due From Related Parties (not able to categorize as an A/R)	55,595,220	(7)	per 12.31.08 balance sheet (II), assumed to be 100% funded by Founding Partner loan proceeds
YOY change in credit balances of factoring clients (amounts sent to affiliate hospitals from collection of A/R notwithstanding senior status of FP loan)	34,392,405	(8A - 8B)	variance btw 12.31.08 balance sheet (II) and 12.31.07 balance sheet (III)
	$405,107,031		**Total loan proceeds that are non-compliant with the Borrowing Base as defined in the Credit and Security Agreement**

NOTE: Values as of Dec. 31, 2008 – Sun Capital combined financials (sourced from Founding Partners and EY Collateral Audit)



Sun Capital Healthcare and Sun Capital, Inc.
Aged Accounts Receivable
12/31/08

	1-30	31-60	61-90	91-120	120-150	150+	Total
Non Promise/Success Clients							
Pacifica of the Valley	321,757	1,713,122	751,448	425,046	353,160		3,565,333
Pacifica of the Valley DSH				7,500,784		17,217,235	24,718,019
Michael Reese	53,211	70,978	16,512	10,999	26,133	12,153	189,986
Michael Reese DSH						6,199,999	6,199,999
City of Angels		326,412	358,013	303,618	142,942		1,130,985
City of Angels DSH		2,601,250		4,553,750	3,955,000	23,643,750	34,753,750
Brylin Hospital	875,775	414,722	195,596	282,430	113,146	125,000	2,006,669
Cornerstone Diabetes	42,421	14,861	5,450	9,449			72,191
Metroplex Medical	74,945	8,436	6,911	7,474			97,766
Normatec Industries	101,315	46,782	109,317	129,954	60,851	268,011	716,931
Alfcare Workers Comp						12,755,447	12,755,447
America West Workers Comp						3,139,658	3,139,658
Pain Net Phys. Grp Workers Comp						9,668,171	9,668,171
Pain Net New Workers Comp						3,373,208	3,373,208
Pain Net Old Workers Comp						24,512,058	24,512,058
	1,469,425	5,198,563	1,442,257	13,234,204	4,651,032	100,914,770	126,900,251
Promise/Success Clients							
Silver Lake Medical CTR DSH	4,006,126						4,006,126
Silver Lake Medical CTR	1,891,715	543,007					2,234,722
Baton Rouge Specialty	1,774,366	4,497,308	1,530,374	486,238	32,474		8,320,760
Golden Triangle	3,763,957	3,254,661	1,411,248	179,771	187,005		8,796,642
Lagniappe Hospital	13,694,118	10,858,470	4,072,820	34,985	74,050		28,734,441
Phoenix Specialty	7,893,227	4,704,910	3,422,174	74,316			16,084,627
Professional Rehab	1,715,210	1,474,340	11,482	45,628	36,926		3,283,586
Ascension	4,415,266	2,390,540	2,007,697	50,054			8,863,557
Vicksburg	2,270,150	1,855,927	56,203				4,182,260
Salt Lake	3,164,045	1,946,450	1,530,328	28,013	16,707		6,685,583
San Antonio	3,109,294	2,024,004	623,325	8,626			5,765,249
Suburban Medical CTR	17,166,582	7,730,713	6,907,857	351,318	192,902		32,351,372
Suburban Medical CTR DSH						8,000,000	8,000,000
San Diego	12,081,560	6,473,818	5,582,254	1,104,300	2,821,041		28,062,953
San Diego DSH						6,000,000	6,000,000
Forest Park Hospital	1,702,197	453,704	304,513	263,839	100,113		2,804,366
Forest Park Hospital DSH				18,118,260	22,172,424	12,001,687	52,292,371
St. Alexius	2,246,449	577,840	286,102	216,354	177,523		3,504,578
ST. Alexius DSH				7,154,200	10,619,510	7,313,189	25,086,899
	80,766,240	48,785,732	27,746,347	28,115,942	36,430,975	33,314,856	255,160,092
SUN CAPITAL, INC							
Symbio Solutions	2,228,100	1,718,901	694,830	55,728	26,941	432,314	5,156,814
BZ Kids	12,057	3,823	554				17,234
Fire Equipment	26,944	5,951	195				32,100
Senecare Enterprises	34,889	97,501	36,771	22,240			191,401
Southern Connecticut	130,852	64,554	3,465				198,871
Assured Communications							0
Bedford Brands	548,496	378,397	315,317	93,363	71,491	37,570	1,444,634
Budvic							0
Conveyor Controls							0
Corporate Recycling	4,771						4,771
JCSA Worlwide	35,745	21,733	9,795				67,273
Kanterman, O'Leary		504,704	454,373	301,885	217,005	944,847	2,422,814
Lady Deborah	14,401						14,401
Osmotics	42,069	222,057					264,126
Ricks Professional		22,280					22,280
Synergy Air	12,091	5,756					17,847
Technomedia	137,245	21,740					158,985
Three Rivers	5,332						5,332
Trident Technical		32,626					32,626
Iron Bridge		29,383	62,416	113,781			205,580
Medcomp	46,872	17,748	12,504	1,810			79,034
Medi Trans	379,401	124,684	33,475	16,738			554,308
Medi Translations	203,948	63,981	17,734	17,082			302,745
	3,863,813	3,335,849	1,641,529	622,627	315,437	1,414,731	11,193,186

SUN CAPITAL HEALTHCARE, INC AND SUN CAPITAL, INC
COMBINED BALANCE SHEET
December 31, 2008

ASSETS

	Per General Ledger		NOTE Projected Liquidation Basis
CURRENT ASSETS			
Cash	$ 10,458,592		10,458,592
Accounts Receivable	491,035,785		135,000,000
Prepaid Expenses	46,470	Recapitalization	450,000,000
Due From Related Parties	-		
Total Current Assets	501,540,847		
PROPERTY AND EQUIPMENT at cost (Net of Accumulated depreciation)	12,068		
OTHER ASSETS			
Loan Costs, net	-		
Due from Related Parties	55,695,220		
Other Receivables	2,366,565		
Security Deposits	-		
Total Other Assets	57,961,785		
Total Assets	$ 559,504,699		595,458,592

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES			
Accounts Payable	$ 50,400		564,100
Accrued Expenses	7,094,653		7,094,653
Credit Balances of Factoring Clients	10,092,998		
Line of Credit	370,000		375,000
Total Current Liabilities	18,511,051		8,053,753
Notes Payable - Subordinated Debt - Related Party	250,000		250,000
Line of credit	537,804,318		537,804,318
Total Liabilities	556,565,369		546,108,071
STOCKHOLDERS' DEFICIT			
Common Stock ($1.00 par value, 15,000 shares authorized, 300 shares issued and outstanding)	300		300
Paid-In-Capital	154,950		46,599,142
Treasury Stock	(47,500)		-47,500
Accumulated (Deficit)	2,831,579		2,831,579
Total Stockholders' (Deficit)	2,939,329		49,350,521
Total Liabilities and Stockholders' Deficit	$ 559,504,698		595,458,592

NOTE

Such projections reflect various assumptions made by the Companies concerning anticipated results, which are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Companies and which may or may not prove to be correct. As a result, no representation or warranty is made as to the feasibility or attainability of the projected financial information or the assumptions from which the projected financial information is derived and the actual results may be materially different. There can be no assurance that the projections will be realized.

Sun Capital Healthcare, Inc. and Sun Capital, Inc.

Attachment VI – Combined Balance Sheet Unaudited

December 31, 2007

	Sun Capital, Inc.	Sun Capital, Healthcare, Inc.	Eliminations	Combined Total
Assets				
Current assets:				
Cash	$ 10,774,691	$ 7,346,470	$ –	$ 18,121,161
Accounts receivable	25,029,926	328,596,774	–	353,626,700
Prepaid expenses	33,820	1,700	–	35,520
Due from related parties	–	55,326,048	(55,326,048)	–
Total current assets	35,838,437	391,270,992	(55,326,048)	371,783,381
Property and equipment at cost (net of accumulated depreciation)	13,629	19,270	–	32,899
Other assets:				
Loan costs, net	–	–	–	–
Due from related parties	8,046,256	18,540,121	–	26,586,377
Other receivables	1,490,601	–	–	1,490,601
Security deposits	–	–	–	–
Total other assets	9,536,857	18,540,121	–	28,076,978
Total assets	$ 45,388,923	$ 409,830,383	$ (55,326,048)	$ 399,893,258
Liabilities and stockholders' deficit				
Current liabilities:				
Accounts payable	$ 29,420	$ 20,744	$ –	$ 50,164
Accrued expenses	266,358	4,440,916	–	4,707,274
Credit balances of factoring clients	4,349,026	41,026,377	–	45,375,403
Line of credit	900,000	300,000	–	1,200,000
Due to related party	55,326,048		(55,326,048)	–
Total current liabilities	60,870,852	45,788,037	(55,326,048)	51,332,841
Notes payable - long term	–	–	–	–
Notes payable - subordinated debt - related party	250,000	–	–	250,000
Line of credit	18,584,647	334,728,579	–	353,313,226
Total liabilities	79,705,499	380,516,616	(55,326,048)	404,896,067
Stockholders' deficit				
Common stock ($1.00 par value, 7,500 shares authorized, 150 shares issued and outstanding)	150	150	–	300
Paid-in-capital	154,950	–	–	154,950
Treasury stock	(47,500)	–	–	(47,500)
Accumulated (deficit)	(34,424,176)	29,313,617	–	(5,110,559)
Total stockholders' (deficit)	(34,316,576)	29,313,767	–	(5,002,809)
Total liabilities and stockholders' deficit	$ 45,388,923	$ 409,830,383	$ (55,326,048)	$ 399,893,258

Amendment NO.26

Exhibit C

AMENDMENT TO DEFINITION
OF MAXIMUM AMOUNT OF CREDIT

This AMENDMENT TO CREDIT AND SECURITY AGREEMENT, dated as of January 9, 2009 (this "Amendment"), is by and between SUN CAPITAL HEALTHCARE, INC., a Florida corporation (the "Borrower"), and FOUNDING PARTNERS STABLE-VALUE FUND, L.P. ("Founding Partners").

WITNESSETH

WHEREAS, the parties hereto are the parties to the Credit and Security agreement dated as of June 6, 2002 (as amended, amended and restated or otherwise modified from time to time, the ("Agreement").

WHEREAS, the parties hereto wish to amend the definition of "Maximum Amount of Credit" in the Credit and Security Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Capitalized terms defined in the Credit and Security agreement and used herein without definition shall have the meanings assigned thereto in the Credit and Security Agreement.

SECTION 2. Amendment to credit and Security Agreement.

The definition of Maximum Amount of Credit and Security Agreement is hereby amended and restated to read in its entirety as follows:

"Maximum Amount of Credit" shall mean a dollar amount mutually agreed upon in writing by the Borrower and the Lender. Unless and until the Borrower and the Lender otherwise mutually agree in writing upon a different dollar amount pursuant to an agreement substantially in the form of Exhibit C hereto, the Maximum Amount of Credit shall be Five Hundred Fifty Million Dollars ($550,000,000.00).

SECTION 3 Binding effect: Ratification

This Amendment shall become effective as of the date on which counterparts hereof executed by the parties hereto have been received by Founding Partners, and thereafter shall be binding on the parties hereto and their respective successors and assigns.

Except as expressly amended hereby, the Credit and Security Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 4 Miscellaneous

Sections 16, 17, 18 and 21 of the Credit and Security Agreement are hereby incorporated herein by this reference, and for this purpose all references in such Sections to the Credit and Security Agreement shall be deemed to be references to this Amendment and to the Credit and Security Agreement as amended hereby.

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be duly executed and delivered as of the date first above written

SUN CAPITAL HEALTHCARE, INC.

By: _____
Howard B. Koslow
President and Chief Operating Officer

FOUNDING PARTNERS STABLE-VALUE FUND, L.P.

By Founding Partners Capital Management Company, its General partner

By: _____
William L. Gunlicks
President and Chief Executive Officer

EXHIBIT
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"I"