



OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

Eric J. Mestemaker
Director
Red Capital Group
Two Miranova Place
Columbus, OH 43215

OCT 23 2009

Re: Coulee Medical Center (f/k/a Coulee Community Hospital "the Hospital")
Section 242 Insured Loan
FHA Project No. 171-13006
Commitment Amount: **\$23,165,000**
FHA Commitment for Insurance of Advances Amendment Request

Dear Mr. Mestemaker:

This is in response to your correspondence dated October 15, 2009, on behalf of the Hospital requesting the following changes to the FHA Commitment issued June 30, 2009 by the U.S. Department of Housing and Urban Development (HUD). Your letter requested the following changes associated with above-captioned project:

A. Changes to HUD Form 92432 (Commitment Form)

1. Reduction in Permanent Interest Rate --

Pursuant to Build America Bond (BAB) pricing to fund the instant FHA loan, the note shall now bear interest at the rate of **6.76** percent per annum payable on the first day of each month on the outstanding balance of principal up to and including the date of final endorsement of the secured note and thereafter on the first day of each month on the outstanding balance of principal. The first payment to principal (commencement of amortization) shall be due on the **first day of May 2011**. The loan shall be payable on a level annuity basis by 300 monthly payments of principal and interest in the amount of **\$160,195.96**. The maturity and final payment date shall be 24 years and 11 months following the due date of the first payment to principal (commencement of amortization). The original FHA loan amount of \$23,165,000 did not change.

B. Line Item Reallocations with Respect to Forms FHA 2264

Be advised that the FHA Form 2264 and HUD Form 92432 have been amended to reflect the item transfers requested by the Hospital. Please note the following amendments:

- (a) Line 1 - changed **Construction Costs** from \$15,062,615 to **\$15,329,362**;
- (b) Line 3 - changed **Architect Fee** from \$1,014,990 to **\$1,044,410**;
- (c) Line 4a - changed **Architect Supervisory & Inspection** from \$456,010 to **\$426,590**;
- (d) Line 4c - changed **Other Fees** from \$326,747 to **\$925,000**;
- (e) Line 6a - changed **Contingency Fees** from \$1,103,637 to **\$1,173,903**;

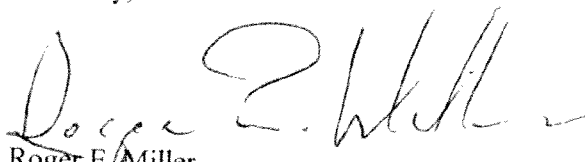
- (f) Line 6b—changed *Other Costs* from \$0 to **\$100,000**;
- (g) Line 7 - changed *Legal and Organizational Fees* from \$415,678 to **\$120,000**;
- (h) Line 10—changed *Consulting Fees* from \$259,100 to **\$135,000**;
- (i) Line 14 - changed *Carrying Charges & Financing Interest* from 1,520,203 to **\$1,370,210**;
- (j) Line 20 - change *Financing Expense/Placement Fee* to reflect **\$836,201**;
- (k) Line 22 - change Total Carrying Charges and Financing from \$3,353,169 to **\$2,653,381**;
- (l) Line 25 - change **Total Replacement Cost** from \$26,372,496 to **\$27,388,877**;
- (m) Section B, Line 7 - change **Maximum Insurable Mortgage** from \$24,444,949 to \$24,379,500
- (n) Section C, Line 4b - change *Other Cash Required from* \$3,250,000 to **\$1,964,856**;

C. Changes to the HUD Mortgage Reserve Fund (MRF) Agreement & Payment Schedule

Be advised that the HUD Mortgage Reserve Agreement and Payment Schedule reflect a change in the permanent interest to **6.76** percent. Additionally, the MRF schedule has been amended to reflect a prepayment of **\$1,964,856**. No MRF payment is due before 2016.

Per your request, HUD now amends its Commitment of June 30, 2009 accounting for the above changes. Should you have any questions regarding this document, please contact Gordon Hill at 202-402-3694.

Sincerely,



Roger E. Miller

Director

Office of Insured Health Care Facilities

Enclosure(s)

cc: Tom Jensen, CEO, Coulee Medical Foundation
 Renee, Greenman, HUD/Multifamily/Seattle
 Charles Davis, HUD/OIHCF
 Stephen Kohashi, HUD/HWRB
 Kelly Gil, HUD/OGC/HHQ
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