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CREDIT AND SECURITY AGREEMENT

dated as of July 29, 2013

by and among

TRI-CITY HEALTHCARE DISTRICT,

as Borrower,

and

MIDCAP FINANCIAL, LLC,

as Administrative Agent and as a Lender,

and

THE ADDITIONAL LENDERS

FROM TIME TO TIME PARTY HERETO



CREDIT AND SECURITY AGREEMENT

THIS CREDIT AND SECURITY AGREEMENT (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “**Agreement**”) is dated as of July 29, 2013, by and among **TRI-CITY HEALTHCARE DISTRICT**, a local healthcare district and political subdivision of the State of California doing business as Tri-City Medical Center (“**TCMC**”), and any additional borrower that may hereafter be added to this Agreement (TCMC and such additional borrowers being referred to herein individually as a “**Borrower**”, and collectively as “**Borrowers**”), **MIDCAP FINANCIAL, LLC**, a Delaware limited liability company, individually as a Lender, and as Agent, and the financial institutions or other entities from time to time parties hereto, each as a Lender.

RECITALS

Borrowers have requested that Lenders make available to Borrowers the financing facilities as described herein. Lenders are willing to extend such credit to Borrowers under the terms and conditions herein set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, Borrowers, Lenders and Agent agree as follows:

ARTICLE 1 - DEFINITIONS

Section 1.1 Certain Defined Terms. The following terms have the following meanings:

“**Acceleration Event**” means the occurrence of an Event of Default (a) in respect of which Agent has declared all or any portion of the Obligations to be immediately due and payable pursuant to Section 10.2, (b) pursuant to Section 10.1(a), and in respect of which Agent has suspended or terminated the Revolving Loan Commitment pursuant to Section 10.2, and/or (c) pursuant to either Section 10.1(e) and/or Section 10.1(f).

“**Account Debtor**” means “account debtor”, as defined in Article 9 of the UCC, and any other obligor in respect of an Account.

“**Accounts**” means, collectively, (a) any right to payment of a monetary obligation, whether or not earned by performance, (b) without duplication, any “account” (as defined in the UCC), any accounts receivable (whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise), any “health-care-insurance receivables” (as defined in the UCC), any “payment intangibles” (as defined in the UCC) and all other rights to payment and/or reimbursement of every kind and description, whether or not earned by performance, (c) all accounts, “general intangibles” (as defined in the UCC), intellectual property, rights, remedies, Guarantees, “supporting obligations” (as defined in the UCC), “letter-of-credit rights” (as defined in the UCC) and security interests in respect of the foregoing, all rights of enforcement and collection, all books and records evidencing or related to the foregoing, and all rights under the Financing Documents in respect of the foregoing, (d) all information and data compiled or derived by any Borrower or to which any Borrower is entitled in respect of or related to the foregoing, and (e) all proceeds of any of the foregoing.

“**Agent**” means MCF, in its capacity as administrative agent for itself and for Lenders hereunder, as such capacity is established in, and subject to the provisions of, Article 11, and the successors and assigns of MCF in such capacity.

“Affiliate” means, with respect to any Person, (a) any Person that directly or indirectly controls such Person, (b) any Person which is controlled by or is under common control with such controlling Person, and (c) each of such Person’s (other than, with respect to any Lender, any Lender’s) officers or directors (or Persons functioning in substantially similar roles) and the spouses, parents, descendants and siblings of such officers, directors or other Persons. As used in this definition, the term “control” of a Person means the possession, directly or indirectly, of the power to vote five percent (5%) or more of any class of voting securities of such Person or to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding anything herein to the contrary and for the avoidance of doubt, neither Tri-City Hospital Foundation nor Tri-City Hospital Auxiliary shall be considered an “Affiliate” of any Borrower for purposes of this Agreement.

“Affiliated Financing Documents” means any credit, loan, letter of credit or related documents which are, by their terms and by the terms of this Agreement, cross-defaulted with the Financing Documents, and for which a Credit Party hereunder is liable or contingently liable for payment or as security for which a Credit Party hereunder has pledged, assigned or subjected any assets to the Agent, a Lender or an Affiliate of the Agent or a Lender.

“Affiliated Obligations” means, collectively, all “Obligations”, as such term is separately defined in any one or more Affiliated Financing Document.

“Anti-Terrorism Laws” means any Laws relating to terrorism or money laundering, including, without limitation, Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the Laws comprising or implementing the Bank Secrecy Act, and the Laws administered by OFAC.

“Applicable Margin” means three and one-half percent (3.50%).

“Asset Disposition” means any sale, lease, license, transfer, assignment or other consensual disposition by any Credit Party of any asset.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy”, as the same may be amended, modified or supplemented from time to time, and any successor statute thereto.

“Base LIBOR Rate” means, for each Interest Period, the rate per annum, determined by Agent in accordance with its customary procedures, and utilizing such electronic or other quotation sources as it considers appropriate (rounded upwards, if necessary, to the next 1/100%), to be the rate at which Dollar deposits (for delivery on the first day of such Interest Period or, if such day is not a Business Day on the preceding Business Day) in the amount of \$1,000,000 are offered to major banks in the London interbank market on or about 11:00 a.m. (Eastern time) two (2) Business Days prior to the commencement of such Interest Period, for a term comparable to such Interest Period, which determination shall be conclusive in the absence of manifest error.

“Base Rate” means a per annum rate of interest equal to the greater of (a) four percent (4.0%) per annum and (b) the rate of interest announced, from time to time, within Wells Fargo Bank, N.A. (“**Wells Fargo**”) at its principal office in San Francisco as its “prime rate,” with the understanding that the “prime rate” is one of Wells Fargo’s base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo may designate; *provided, however*, that Agent may, upon prior written notice to Borrower, choose a reasonably comparable index or source to use as the basis for the Base Rate.

“Blocked Person” means any Person: (a) listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (d) that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224, or (e) that is named a “specially designated national” or “blocked person” on the most current list published by OFAC or other similar list or is named as a “listed person” or “listed entity” on other lists made under any Anti-Terrorism Law.

“Borrower” and **“Borrowers”** mean the entity(ies) described in the first paragraph of this Agreement and each of their successors and permitted assigns.

“Borrower Representative” means TCMC, in its capacity as Borrower Representative pursuant to the provisions of Section 2.9, or any successor Borrower Representative selected by Borrowers and approved by Agent.

“Borrowing Base” means:

(a) the product of (i) eighty percent (80%) *multiplied by* (ii) the aggregate net amount at such time of the Eligible Accounts as determined with reference to the Borrowing Base Certificate most recently delivered by Borrowers to Agent; *minus*

(b) the amount of any reserves and/or adjustments provided for in this Agreement.

“Borrowing Base Certificate” means a certificate, duly executed by a Responsible Officer of Borrower Representative, appropriately completed and substantially in the form of Exhibit C hereto.

“BOTW” means Bank of the West.

“BOTW Cash Secured Term Loan Documents” means that certain Credit Agreement, dated as of April 2, 2012 among Borrower, as the borrower, and BOTW, as Administrative Agent (in such capacity, the **“Term Loan Agent”**), Swing Line Lender and L/C Issuer, and Co-Joint Lead Arranger, Compass Bank, as Co-Joint Lead Arranger and Documentation Agent and any other Lenders parties thereto from time to time, and all other documents, instruments and agreements related thereto evidenced and securing the term loan advanced to TCMC thereunder, in each case as in effect on the Closing Date, and as the same may from time to time be amended, modified, restated or refinanced as permitted by Section 5.10(b).

“Business Day” means any day except a Saturday, Sunday or other day on which either the New York Stock Exchange is closed, or on which commercial banks in Maryland, New York City and California are authorized by Law to close.

“California Health Care District Law” means the Local Health Care District Law (California Health & Safety Code § 32000 *et seq.*), as the same may be amended from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.*, as the same may be amended from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

“Change in Control” means with respect to Borrower or any Guarantor, the occurrence of any of the following: (i) any change in circumstance such that the Borrower is no longer a duly organized and validly existing health care district organized under the California Health Care District Law, (ii) a direct or indirect sale, transfer or other conveyance or disposition, in any single transaction or series of transactions, of all or substantially all of its assets, or (iii) any “change in/of control” or “sale” or “disposition” or similar event as defined in any document governing Debt of such Person the occurrence of which gives the holder of such Debt the right to accelerate or otherwise require payment of such Debt prior to the maturity date thereof and would constitute an Event of Default under Section 10.1(d).

“Chattel Paper” means “chattel paper”, as defined in Article 9 of the UCC.

“Closing Date” means the date of this Agreement.

“CMS” means the federal Centers for Medicare and Medicaid Services (formerly the federal Health Care Financing Administration), and any successor Governmental Authority.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

“Collateral” means all property, now existing or hereafter acquired, mortgaged or pledged to, or purported to be subjected to a Lien in favor of, Agent, for the benefit of Agent and Lenders, pursuant to this Agreement and the Security Documents, including, without limitation, all of the property described in Schedule 9.1 hereto.

“Commitment Annex” means Annex A hereto.

“Commitment Expiry Date” means the date that is three (3) years following the Closing Date.

“Compliance Certificate” means a certificate, duly executed by a Responsible Officer of Borrower Representative, appropriately completed and substantially in the form of Exhibit B hereto.

“Consolidated Subsidiary” means, at any date, any Subsidiary the accounts of which would be consolidated with those of “parent” Borrower (or any other Person, as the context may require hereunder) in its consolidated financial statements if such statements were prepared as of such date.

“Contingent Obligation” means, with respect to any Person, any direct or indirect liability of such Person: (a) with respect to any Debt of another Person (a **“Third Party Obligation”**) if the purpose or intent of such Person incurring such liability, or the effect thereof, is to provide assurance to the obligee of such Third Party Obligation that such Third Party Obligation will be paid or discharged, or that any agreement relating thereto will be complied with, or that any holder of such Third Party Obligation will be protected, in whole or in part, against loss with respect thereto; (b) with respect to any undrawn portion of any letter of credit issued for the account of such Person or as to which such Person is otherwise liable for the reimbursement of any drawing; (c) to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement; or (d) for any obligations of another Person pursuant to any Guarantee or pursuant to any agreement to purchase, repurchase or otherwise acquire any obligation or any property constituting security therefor, to provide funds for the payment or discharge of such obligation or to preserve the solvency, financial condition or level of income of another Person. The amount of any Contingent Obligation shall be equal to the amount of the obligation so Guaranteed or otherwise supported or, if not a fixed and determinable amount, the maximum amount so Guaranteed or otherwise supported.

“Controlled Group” means all members of any group of corporations and all members of a group of trades or businesses (whether or not incorporated) under common control which, together with any Borrower, are treated as a single employer under Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

“Credit Exposure” means, at any time, any portion of the Revolving Loan Commitment that remains outstanding; *provided, however*, that no Credit Exposure shall be deemed to exist solely due to the existence of contingent indemnification liability, absent the assertion of a claim, or the known existence of a claim reasonably likely to be asserted, with respect thereto.

“Credit Party” means any Guarantor under a Guarantee of the Obligations or any part thereof, any Borrower and any other Person (other than Agent, a Lender or a participant of a Lender), whether now existing or hereafter acquired or formed, that becomes obligated as a borrower, guarantor, surety, indemnitor, pledgor, assignor or other obligor under any Financing Document; and **“Credit Parties”** means all such Persons, collectively.

“Debt” of a Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising and paid on a timely basis and in the Ordinary Course of Business, (d) all capital leases of such Person, (e) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit, banker’s acceptance or similar instrument, (f) all equity securities of such Person subject to repurchase or redemption other than at the sole option of such Person, (g) all obligations secured by a Lien on any asset of such Person, whether or not such obligation is otherwise an obligation of such Person, (h) “earnouts”, purchase price adjustments, profit sharing arrangements, deferred purchase money amounts and similar payment obligations or continuing obligations of any nature of such Person arising out of purchase and sale contracts, (i) all Debt of others Guaranteed by such Person, (j) off-balance sheet liabilities and/or Pension Plan or Multiemployer Plan liabilities of such Person, (k) obligations arising under non-compete agreements, and (l) obligations arising under bonus, deferred compensation, incentive compensation or similar arrangements, other than those arising in the Ordinary Course of Business. Without duplication of any of the foregoing, Debt of Borrowers shall include any and all Loans.

“Default” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“Deposit Account” means a “deposit account” (as defined in Article 9 of the UCC), an investment account, or other account in which funds are held or invested for credit to or for the benefit of any Borrower.

“Deposit Account Control Agreement” means an agreement, in form and substance satisfactory to Agent, among Agent, any Borrower and each financial institution in which such Borrower maintains a Deposit Account, which agreement provides that (a) such financial institution shall comply with instructions originated by Agent directing disposition of the funds in such Deposit Account without further consent by the applicable Borrower, and (b) such financial institution shall agree to such other terms and conditions as Agent may require, including as to any such agreement pertaining to any Lockbox Account, providing that such financial institution shall wire, or otherwise transfer, in immediately available funds, on a daily basis to the Payment Account all funds received or deposited into such Lockbox or Lockbox Account.

“Deposit Account Restriction Agreement” means an agreement, in form and substance satisfactory to Agent, among Agent, a Borrower and each bank in which such Borrower maintains a Deposit Account and into which Deposit Account proceeds of Accounts from Governmental Account Debtors are paid directly by the Governmental Account Debtor, and which agreement provides that (a) such bank shall not enter into an agreement with respect to such Deposit Account pursuant to which the bank agrees to comply with instructions originated by any Person, other than the Borrower that owns the Deposit Account, directing disposition of the funds in such Deposit Account, and (b) such bank shall agree to such other terms and conditions as Agent may require, including as to any such agreement pertaining to any Lockbox Account, providing that such bank shall wire, or otherwise transfer, in immediately available funds, on a daily basis to the Payment Account and/or a Lockbox Account subject to a Deposit Account Control Agreement (as Agent shall elect and direct at the time such agreement is signed) all funds received or deposited into such Lockbox Account and associated Lockbox unless the applicable Borrower shall otherwise instruct the bank in writing, subject to the limitations set forth in the Deposit Account Restriction Agreement and the other Financing Documents.

“Disclosed Matter” means the matter disclosed in item 2 of Schedule 3.6.

“Dollars” or **“\$”** means the lawful currency of the United States of America.

“Eligible Account” means, subject to the criteria below, an account receivable of a Borrower, which was generated in the Ordinary Course of Business, which was generated originally in the name of a Borrower and not acquired via assignment or otherwise, and which Agent, in its good faith credit judgment and discretion, deems to be an Eligible Account. The net amount of an Eligible Account at any time shall be (a) the face amount of such Eligible Account as originally billed *minus* all cash collections and other proceeds of such Account received from or on behalf of the Account Debtor thereunder as of such date and any and all returns, rebates, discounts (which may, at Agent’s option, be calculated on shortest terms), credits, allowances or excise taxes of any nature at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with such Accounts at such time, and (b) adjusted by applying percentages (known as **“liquidity factors”**) by payor and/or payor class based upon the applicable Borrower’s actual recent collection history for each such payor and/or payor class in a manner consistent with Agent’s underwriting practices and procedures. Such liquidity factors may be adjusted by Agent from time to time as warranted by Agent’s underwriting practices and procedures and using Agent’s good faith credit judgment. Without limiting the generality of the foregoing, no Account shall be an Eligible Account if:

(a) the Account remains unpaid more than one hundred eighty (180) days past the claim or invoice date (but in no event more than two hundred ten (210) days after the applicable goods or services have been rendered or delivered);

(b) the Account is subject to any defense, set-off, recoupment, counterclaim, deduction, discount, credit, chargeback, freight claim, allowance, or adjustment of any kind (but only to the extent of such defense, set-off, recoupment, counterclaim, deduction, discount, credit, chargeback, freight claim, allowance, or adjustment), or the applicable Borrower is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process;

(c) if the Account arises from the sale of goods, any part of any goods the sale of which has given rise to the Account has been returned, rejected, lost, or damaged (but only to the extent that such goods have been so returned, rejected, lost or damaged);

(d) if the Account arises from the sale of goods, the sale was not an absolute, bona fide sale, or the sale was made on consignment or on approval or on a sale-or-return or bill-and-hold or

progress billing basis, or the sale was made subject to any other repurchase or return agreement, or the goods have not been shipped to the Account Debtor or its designee or the sale was not made in compliance with applicable Laws;

(e) if the Account arises from the performance of services, the services have not actually been performed or the services were undertaken in violation of any Law or the Account represents a progress billing for which services have not been fully and completely rendered;

(f) the Account is subject to a Lien other than a Permitted Lien, or Agent does not have a first priority, perfected Lien on such Account;

(g) the Account is evidenced by Chattel Paper or an Instrument of any kind, or has been reduced to judgment, unless such Chattel Paper or Instrument has been delivered to Agent;

(h) the Account Debtor is an Affiliate or Subsidiary of a Credit Party, or if the Account Debtor holds any Debt of a Credit Party;

(i) except for Accounts owed by Governmental Account Debtors, more than fifty percent (50%) of the aggregate balance of all Accounts owing from the Account Debtor obligated on the Account are ineligible under subclause (a) above (in which case all Accounts from such Account Debtor shall be ineligible);

(j) without limiting the provisions of clause (i) above, fifty percent (50%) or more of the aggregate unpaid Accounts from the Account Debtor obligated on the Account are not deemed Eligible Accounts under this Agreement for any reason;

(k) except for Accounts owed by Governmental Account Debtors, the total unpaid Accounts of the Account Debtor obligated on the Account exceed twenty-five percent (25%) of the net amount of all Eligible Accounts owing from all Account Debtors, including Accounts owed by Governmental Account Debtors (but only the amount of the Accounts of such Account Debtor exceeding such twenty-five percent (25%) limitation shall be considered ineligible);

(l) any covenant, representation or warranty contained in the Financing Documents with respect to such Account has been breached in any respect;

(m) the Account is unbilled for more than thirty (30) days after the date of service or has not been invoiced to the Account Debtor within thirty (30) days after the date of service in accordance with the procedures and requirements of the applicable Account Debtor; *provided, however*, that Accounts that are unbilled or not invoiced shall be properly recorded on Borrowers' accounting systems at all times; and *provided, further*, for the avoidance of doubt, that Accounts that are unbilled for thirty (30) or fewer days from the date of service shall not be ineligible pursuant to this clause (m);

(n) except for Accounts owed by Governmental Account Debtors, the Account is an obligation of an Account Debtor that is the federal, state or local government or any political subdivision thereof, unless Agent has agreed to the contrary in writing and Agent has received from the Account Debtor the acknowledgement of Agent's notice of assignment of such obligation pursuant to this Agreement;

(o) the Account is an obligation of an Account Debtor that has suspended business, made a general assignment for the benefit of creditors, is unable to pay its debts as they become due or as to which a petition has been filed (voluntary or involuntary) under any Law relating to bankruptcy,

insolvency, reorganization or relief of debtors, or the Account is an Account as to which any facts, events or occurrences exist which could reasonably be expected to impair the validity, enforceability or collectability of such Account or reduce the amount payable or delay payment thereunder;

(p) the Account Debtor has its principal place of business or executive office outside the United States;

(q) the Account is payable in a currency other than United States dollars;

(r) such Account or any portion thereof (in which case only such portion shall not be an Eligible Account) is payable by a beneficiary, recipient or subscriber individually and not directly by a Governmental Account Debtor or commercial medical insurance carrier acceptable to Agent;

(s) the Borrower owning such Account has not signed and delivered to Agent notices, in the form requested by Agent, directing the Account Debtors to make payment to the applicable Lockbox Account;

(t) the Account includes late charges or finance charges (but only such portion of the Account shall be ineligible);

(u) the Account arises out of the sale of any Inventory upon which any other Person holds, claims or asserts a Lien; or

(v) the Account or Account Debtor fails to meet such other specifications and requirements which may from time to time be established by Agent in its good faith credit judgment and discretion.

“Environmental Laws” means any present and future federal, state and local laws, statutes, ordinances, rules, regulations, standards, policies and other governmental directives or requirements, as well as common law, pertaining to the environment, natural resources, pollution, health (including any environmental clean-up statutes and all regulations adopted by any local, state, federal or other Governmental Authority, and any statute, ordinance, code, order, decree, law rule or regulation all of which pertain to or impose liability or standards of conduct concerning medical waste or medical products, equipment or supplies), safety or clean-up that apply to any Borrower or the Hospital or any other Hospital Facility and relate to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 *et seq.*), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. § 5101 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. § 651 *et seq.*), the Residential Lead-Based Paint Hazard Reduction Act (42 U.S.C. § 4851 *et seq.*), any analogous state or local Laws, any amendments thereto, and the regulations promulgated pursuant to said Laws, together with all amendments from time to time to any of the foregoing and judicial interpretations thereof.

“Environmental Liens” means all Liens and other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of any Borrower or any other Person.

“ERISA” means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

“ERISA Plan” means any “employee benefit plan”, as such term is defined in Section 3(3) of ERISA (other than a Multiemployer Plan), which any Borrower maintains, sponsors or contributes to, or, in the case of an employee benefit plan which is subject to Section 412 of the Code or Title IV of ERISA, to which any Borrower or any member of the Controlled Group may have any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five (5) years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

“Event of Default” has the meaning set forth in Section 10.1.

“Fee Letter” means that certain letter agreement between Agent and Borrower relating to fees payable to Agent, for its own account, in connection with the execution of this Agreement.

“Financing Documents” means this Agreement, any Notes, the Security Documents, the Fee Letter, any subordination or intercreditor agreement pursuant to which any Debt and/or any Liens securing such Debt is subordinated to all or any portion of the Obligations and all other documents, instruments and agreements related to the Obligations and heretofore executed, executed concurrently herewith or executed at any time and from time to time hereafter, as any or all of the same may be amended, supplemented, restated or otherwise modified from time to time.

“GAAP” means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the United States accounting profession), which are applicable to the circumstances as of the date of determination.

“General Intangible” means any “general intangible” as defined in Article 9 of the UCC, and any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas or other minerals before extraction, but including payment intangibles and software.

“Governmental Account Debtor” means any Account Debtor that is (i) the United States of America acting under the Medicare or Medi-Cal program established pursuant to the Social Security Act or any other federal healthcare program, including TRICARE, (ii) any state or the District of Columbia acting pursuant to a health plan adopted pursuant to Title XIX of the Social Security Act or any other state health care program, or (ii) any agent, carrier, administrator or intermediary for any of the foregoing.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, and any agency, department or Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other Person owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, whether domestic or foreign.

“Guarantee” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise), or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt or

other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided, however*, that the term Guarantee shall not include endorsements for collection or deposit in the Ordinary Course of Business. The term “**Guarantee**” used as a verb has a corresponding meaning.

“**Guarantor**” means any Credit Party that has executed or delivered, or shall in the future execute or deliver, any Guarantee of any portion of the Obligations.

“**Hazardous Materials**” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives, flammable materials; radioactive materials; polychlorinated biphenyls and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Hospital or any other Hospital Facility is prohibited by any Environmental Laws; toxic mold, any substance that requires special handling; and any other material or substance now or in the future defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” “pollutant” or other words of similar import within the meaning of any Environmental Law, including: (a) any “hazardous substance” defined as such in (or for purposes of) CERCLA, or any so-called “superfund” or “superlien” Law, including the judicial interpretation thereof; (b) any “pollutant or contaminant” as defined in 42 U.S.C. § 9601(33); (c) any material now defined as “hazardous waste” pursuant to 40 C.F.R. Part 260; (d) any petroleum or petroleum by-products, including crude oil or any fraction thereof; (e) natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel; (f) any “hazardous chemical” as defined pursuant to 29 C.F.R. Part 1910; (g) any toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos, polychlorinated biphenyls (“**PCB’s**”), flammable explosives, radioactive materials, infectious substances, materials containing lead-based paint or raw materials which include hazardous constituents); and (h) any other toxic substance or contaminant that is subject to any Environmental Laws or other past or present requirement of any Governmental Authority.

“**Hazardous Materials Contamination**” means contamination (whether now existing or hereafter occurring) of the improvements, buildings, facilities, personalty, soil, groundwater, air or other elements on or of the relevant property by Hazardous Materials, or any derivatives thereof, or on or of any other property as a result of Hazardous Materials, or any derivatives thereof, generated on, emanating from or disposed of in connection with the relevant property.

“**Healthcare Laws**” means all applicable Laws relating to healthcare providers, healthcare services and the organization and operation of a health care district in the State of California, the possession, control, warehousing, marketing, sale and distribution of pharmaceuticals, the operation of medical or senior housing facilities (such as, but not limited to, nursing homes, skilled nursing facilities, rehabilitation hospitals, intermediate care facilities and adult care facilities), patient healthcare, patient healthcare information, patient abuse, the quality and adequacy of medical care, rate setting, equipment, personnel, operating policies, fee splitting, including, without limitation, (a) all federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute (42 U.S.C. §1320a-7b(6)), the Stark Law (42 U.S.C. §1395nn), the civil False Claims Act (31 U.S.C. §3729 *et seq.*), (b) TRICARE, (c) HIPAA, (d) Medicare, (e) Medi-Cal, (f) the Patient Protection and Affordable Care Act (P.L. 111-1468), (g) The Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), (h) The Federal Emergency Medical Treatment and Labor Act (EMTALA), (h) the California Health Care District Law, (i) California Business and Professions Code Section 650 *et seq.* (Unearned Rebates, Refunds and Discounts), (j) California Health and Safety Code Section 1797 *et seq.* (Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act), (k) quality, safety and accreditation standards and requirements of all applicable state Laws or regulatory bodies, (l) all Laws, policies, procedures, requirements and regulations pursuant to which Healthcare Permits are issued, and (m) any

and all other applicable health care Laws, regulations, manual provisions, policies and administrative guidance, each of (a) through (m) as may be amended from time to time.

“Healthcare Permit” means a Permit (a) issued or required under Healthcare Laws applicable to the business of any Borrower or any of its Subsidiaries or necessary in the possession, ownership, warehousing, marketing, promoting, sale, labeling, furnishing, distribution or delivery of goods or services under Healthcare Laws applicable to the business of any Borrower or any of its Subsidiaries, (b) issued by any Person from which any Borrower has, as of the Closing Date, received an accreditation, and/or (c) issued or required under Healthcare Laws applicable to the ownership or operation of any business location of a Borrower.

“HIPAA” has the meaning given such term in Section 8.1 hereof.

“Hospital” shall mean the general acute care hospital and ancillary healthcare facilities operated by Borrower, and collectively known as Tri-City Medical Center, located at 4002 Vista Way, Oceanside, California.

“Hospital Facilities” shall mean, collectively, the Hospital and any other sites on which any Borrower maintains operations or ancillary operations related thereto, including the Tri-City Wellness Center located at 6250 El Camino Real, Carlsbad, California.

“Instrument” means “instrument”, as defined in Article 9 of the UCC.

“Interest Period” means any period commencing on the first day of a calendar month and ending on the last day of such calendar month.

“Inventory” means “inventory” as defined in Article 9 of the UCC.

“Investment” means any investment in any Person, whether by means of acquiring (whether for cash, property, services, securities or otherwise), making or holding Debt, securities, capital contributions, loans, time deposits, advances, Guarantees or otherwise. The amount of any Investment shall be the original cost of such Investment *plus* the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect thereto.

“Laws” means any and all federal, state, provincial, territorial, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, codes, injunctions, permits, governmental agreements and governmental restrictions, whether now or hereafter in effect, which are applicable to any Credit Party in any particular circumstance. **“Laws”** includes, without limitation, Healthcare Laws and Environmental Laws.

“Lender” means each of (a) MCF, in its capacity as a lender hereunder, (b) each other Person that becomes a party hereto as Lender pursuant to Section 11.17, and (c) the respective successors of all of the foregoing, and **“Lenders”** means all of the foregoing.

“LIBOR Rate” means, for each Loan, a per annum rate of interest equal to the greater of (a) one percent (1.0%) and (b) the rate determined by Agent (rounded upwards, if necessary, to the next 1/100th%) by *dividing* (i) the Base LIBOR Rate for the Interest Period, *by* (ii) the sum of one *minus* the daily average during such Interest Period of the aggregate maximum reserve requirement (expressed as a decimal) then imposed under Regulation D of the Board of Governors of the Federal Reserve System (or any successor thereto) for “Eurocurrency Liabilities” (as defined therein).

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind (including by operation of any Law, such as those arising under California Government Code § 5450 *et seq.*, § 53850 *et seq.* or § 15430 *et seq.*), in respect of such asset. For the purposes of this Agreement and the other Financing Documents, any Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Litigation” means any action, suit or proceeding before any court, mediator, arbitrator or Governmental Authority.

“Loan Account” has the meaning set forth in Section 2.6(b).

“Loan(s)” means the Revolving Loans, or any combination of the foregoing, as the context may require.

“Lockbox” has the meaning set forth in Section 2.11.

“Lockbox Account” means an account or accounts maintained at the Lockbox Bank into which collections of Accounts are paid, which account or accounts shall be, if requested by Agent, opened in the name of Agent (or a nominee of Agent).

“Lockbox Bank” has the meaning set forth in Section 2.11.

“Management Agreement” shall mean any agreement entered into between any Borrower and any other Person pursuant to which such Person provides any management, consulting, advisory, administrative or similar services to Borrower.

“Material Adverse Effect” means with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences, whether or not related, (a) a material adverse change in, or a material adverse effect upon, any of (i) the condition (financial or otherwise), operations, business, properties or prospects of any of the Credit Parties, (ii) the rights and remedies of Agent or Lenders under any Financing Document, or the ability of any Credit Party to perform any of its obligations under any Financing Document to which it is a party, (iii) the legality, validity or enforceability of any Financing Document, (iv) the existence, enforceability or priority of any security interest granted in any Financing Document, (v) the value of any material Collateral, (vi) any Credit Party’s ability to accept, admit and/or retain patients or residents, (vii) the use or scope authorized under any Healthcare Permits, (ix) the continued participation by any Credit Party in the Medicare or Medi-Cal programs or any Third Party Payor Program material to the conduct of TCMC’s business, in each case at then current rate certifications or materially comparable levels; (b) a material impairment to the likelihood that Eligible Accounts in general will be collected and paid in the Ordinary Course of Business of any Borrower and upon the same schedule and with the same frequency as such Borrowers’ recent collections history; or (c) the imposition of a fine against or the creation of any liability (which is uncontested or, if contested, is not subject to a Permitted Contest) of any Credit Party to any Governmental Authority under any Healthcare Law in excess of \$100,000 (or with respect to the Disclosed Matter, in excess of \$1,000,000).

“Material Contracts” has the meaning set forth in Section 3.17.

“Maximum Lawful Rate” has the meaning set forth in Section 2.7.

“MCF” means MidCap Financial, LLC, and its successors and assigns.

“Medi-Cal” means the medical assistance programs administered by the California Department of Health Services and approved by CMS pursuant to the terms of Title XIX of the Social Security Act, codified at 42 U.S.C. § 1396 *et seq.*

“Medicare” means the program of health benefits for the aged and disabled administered by CMS pursuant to the terms of Title XVIII of the Social Security Act, codified at 42 U.S.C. § 1395 *et seq.*

“Multiemployer Plan” means a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA to which any Borrower or any other member of the Controlled Group (or any Person who in the last five years was a member of the Controlled Group) is making or accruing an obligation to make contributions or has within the preceding five plan years (as determined on the applicable date of determination) made contributions.

“Notes” has the meaning set forth in Section 2.3.

“Notice of Borrowing” means a notice of a Responsible Officer of Borrower Representative, appropriately completed and substantially in the form of Exhibit D hereto.

“Obligations” means all obligations, liabilities and indebtedness (monetary (including post-petition interest, fees, obligations for costs and expense and indemnity obligations,, whether or not allowable or allowed) or otherwise) of each Credit Party under this Agreement or any other Financing Document, in each case howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, including in each case obligations of performance as well as obligations of payment and interest that accrue after the commencement of any proceeding under the Bankruptcy Code or any other bankruptcy, insolvency or similar debtor relief Law by or against any such Credit Party.

“Oceanside MOB” means an approximately 60,000 sq. ft. medical office building located on TCMC’s hospital campus in Oceanside, California as further described in the Transition Agreement described on item D.1 of Schedule 3.17.

“OFAC” means the U.S. Department of Treasury Office of Foreign Assets Control.

“OFAC Lists” means, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders.

“Operating Lease” means any lease of any Hospital Facility to a Borrower that is separate and distinct from the owner of the applicable Hospital Facility, and all amendments thereto and extensions thereof.

“Operative Documents” means the Financing Documents, Affiliated Financing Documents, Wellness Mortgage Loan Documents, Management Agreements, Operating Leases, Subordinated Debt Documents, and any documents effecting any purchase or sale or other transaction that is closing contemporaneously with the closing of the financing under this Agreement.

“Ordinary Course of Business” means, in respect of any transaction involving any Credit Party, the ordinary course of business of such Credit Party, as conducted by such Credit Party in accordance with past practices.

“Organizational Documents” means, with respect to any Person other than a natural person, the documents by which such Person was organized (such as a certificate of incorporation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) and which relate to the internal governance of such Person (such as by-laws, a partnership agreement or an operating, limited liability company or members agreement), including any and all shareholder agreements or voting agreements relating to the capital stock or other equity interests of such Person.

“Payment Account” means the account specified on the signature pages hereof into which all payments by or on behalf of each Borrower to Agent under the Financing Documents shall be made, or such other account as Agent shall from time to time specify by notice to Borrower Representative.

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

“Pension Plan” means any ERISA Plan that is subject to Section 412 of the Code or Title IV of ERISA (and to the extent any Credit Party has or maintains one or more “government plans” as defined in Section 414(d) of the Code or Section 3(32) of ERISA exempt from Title I and Title IV of ERISA, then “Pension Plan” shall include each such “government plan”).

“Permits” means all governmental licenses, authorizations, provider numbers, supplier numbers, registrations, permits, drug or device authorizations and approvals, certificates, franchises, qualifications, accreditations, consents and approvals of a Credit Party required under all applicable Laws and required for such Credit Party in order to carry on its business as now conducted, including, without limitation, Healthcare Permits.

“Permitted Asset Dispositions” means the following Asset Dispositions, *provided, however*, that at the time of such Asset Disposition, no Default or Event of Default exists or would result from such Asset Disposition: (a) dispositions of Inventory in the Ordinary Course of Business and not pursuant to any bulk sale, (b) dispositions of furniture, fixtures and equipment in the Ordinary Course of Business that the applicable Borrower or Subsidiary determines in good faith is no longer used or useful in the business of such Borrower and its Subsidiaries, and (c) dispositions approved by Agent.

“Permitted Contest” means, with respect to any tax obligation or other obligation allegedly or potentially owing from any Borrower or its Subsidiary to any governmental tax authority or other third party, a contest maintained in good faith by appropriate proceedings promptly instituted and diligently conducted and with respect to which such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made on the books and records and financial statements of the applicable Credit Party(ies); *provided, however*, that (a) compliance with the obligation that is the subject of such contest is effectively stayed during such challenge; (b) Borrowers’ and its Subsidiaries’ title to, and its right to use, the Collateral is not adversely affected thereby and Agent’s Lien and priority on the Collateral are not adversely affected, altered or impaired thereby; (c) Borrowers have given prior written notice to Agent of a Borrower’s or its Subsidiary’s intent to so contest the obligation; (d) the Collateral or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by Borrowers or its Subsidiaries; (e) Borrowers have given Agent notice of the commencement of such contest and upon request by Agent, from time to time, notice of the status of such contest by Borrowers and/or confirmation of the continuing satisfaction of this

definition; and (f) upon a final determination of such contest, Borrowers and their respective Subsidiaries shall promptly comply with the requirements thereof.

“Permitted Contingent Obligations” means each of the following: (a) Contingent Obligations arising in respect of the Debt under the Financing Documents; (b) Contingent Obligations resulting from endorsements for collection or deposit in the Ordinary Course of Business; (c) Contingent Obligations outstanding on the date of this Agreement and set forth on Schedule 5.1 (but not including any refinancings, extensions, increases or amendments to the indebtedness underlying such Contingent Obligations other than extensions of the maturity thereof without any other change in terms); (d) Contingent Obligations incurred in the Ordinary Course of Business with respect to surety and appeal bonds, performance bonds and other similar obligations not to exceed \$100,000 in the aggregate at any time outstanding; (f) Contingent Obligations arising under indemnity agreements with title insurers to cause such title insurers to issue to Agent mortgagee title insurance policies; (g) Contingent Obligations arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions of personal property assets permitted under Section 5.6; and (h) other Contingent Obligations not permitted by clauses (a) through (i) above, not to exceed \$100,000 in the aggregate at any time outstanding.

“Permitted Debt” means each of the following: (a) Borrowers’ Debt to Agent and each Lender under this Agreement and the other Financing Documents; (b) Debt incurred as a result of endorsing negotiable instruments received in the Ordinary Course of Business; (c) capital lease obligations and purchase money Debt not to exceed \$10,000,000 (including any existing capital lease obligations or purchase money Debt described on Schedule 5.1(a), and new capital lease obligations or purchase money Debt and any refinancing, renewal or extension thereof) in the aggregate principal amount at any time (whether in the form of a loan or a lease) incurred in the Ordinary Course of Business and secured only by the equipment, software or other assets (other than Accounts and their Proceeds) so financed; (d) Debt existing on the date of this Agreement and described on Schedule 5.1(a) hereto and any refinancing, renewal, or extension thereof; *provided* that such refinancing, renewal or extension does not increase the principal amount so refinanced, renewed or extended and no Collateral is provided in support of such Debt so refinanced, renewed or extended; (e) Debt incurred by Wellness Real Estate LLC as evidenced and secured by the Wellness LLC Loan Documents and any refinancing, renewal, or extension thereof; *provided* that such Debt is non-recourse to TCMC; and *provided, further* that any such refinancing, renewal or extension does not increase the principal amount so refinanced, renewed or extended and no Collateral is provided in support of such Debt so refinanced, renewed or extended; (f) Debt existing on the date of this Agreement incurred by Real Estate LLC and described on Schedule 5.1(b) hereto and any refinancing, renewal, or extension thereof; *provided* that such Debt is non-recourse to TCMC; and *provided, further* that any such refinancing, renewal or extension does not increase the principal amount so refinanced, renewed or extended and no Collateral is provided in support of such Debt so refinanced, renewed or extended; (g) Debt incurred by TCMC as evidenced and secured by the BOTW Cash Secured Term Loan Documents in an aggregate principal amount not to exceed \$51,000,000 at any time and any refinancing, renewal, or extension thereof; *provided* that such refinancing, renewal or extension does not increase the principal amount so refinanced, renewed or extended and no Collateral is provided in support of such Debt except as permitted by clause (g) of the definition of “Permitted Liens”; (h) Debt in the form of insurance premiums financed through the applicable insurance company; (i) trade accounts payable arising and paid on a timely basis and in the Ordinary Course of Business; (j) obligations (contingent or otherwise) existing or arising under any Swap Contract, *provided*, that (i) such obligations are (or were) entered into by such Person in the Ordinary Course of Business for the purpose of directly mitigating risks associated with fluctuations in interest rate or foreign exchange rates, and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party; (k) unsecured Debt in an aggregate principal amount not to exceed \$250,000 at any time outstanding; and (l) Subordinated Debt.

“Permitted Investments” means each of the following: (a) Investments shown on Schedule 5.7 and existing or as contemplated on the Closing Date; (b) cash and cash equivalents; (c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the Ordinary Course of Business; (d) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the Ordinary Course of Business; (e) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the Ordinary Course of Business, *provided, however*, that this clause (e) shall not apply to Investments of Borrowers in any Subsidiary; (f) Investments consisting of Deposit Accounts in which Agent has received a Deposit Account Control Agreement or a Deposit Account Restriction Agreement, as applicable and Securities Accounts in which Agent has received a Securities Account Control Agreement; (g) Investments by any Borrower in any other Borrower made in compliance with Section 4.11(c); (h) Investments by TCMC in Wellness LLC and Real Estate LLC made on or prior to the Closing Date; (i) Investments by TCMC to acquire and complete construction of the Oceanside MOB in an aggregate amount not to exceed the sums set forth in the Fifth Amendment to the Transition Agreement set forth on item D.1 of Schedule 3.17; and (j) other Investments in an amount not exceeding \$250,000 in the aggregate.

“Permitted Liens” means: (a) deposits or pledges of cash to secure obligations under workmen’s compensation, social security or similar Laws, or under unemployment insurance (but excluding Liens arising under ERISA) pertaining to a Borrower’s or its Subsidiary’s employees, if any; (b) deposits or pledges of cash to secure bids, tenders, contracts (other than contracts for the payment of money or the deferred purchase price of property or services), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the Ordinary Course of Business or arising as a result of progress payments under contracts with Governmental Authorities; (c) carrier’s, warehousemen’s, mechanic’s, workmen’s, materialmen’s or other like Liens on Collateral, other than any Collateral which is part of the Borrowing Base, arising in the Ordinary Course of Business with respect to obligations which are not due, or which are being contested pursuant to a Permitted Contest; (d) Liens on Collateral, other than Accounts, for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or the subject of a Permitted Contest; (e) attachments, appeal bonds, judgments and other similar Liens on Collateral other than Accounts, for sums not exceeding \$100,000 in the aggregate arising in connection with court proceedings; *provided, however*, that the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are the subject of a Permitted Contest; (f) Liens granted by Wellness LLC under the Wellness Mortgage Loan Documents; (g) Liens granted by TCMC under the BOTW Cash Secured Term Loan Documents to secured the Debt permitted under clause (f) of the definition of “Permitted Debt”, *provided* that such Liens are limited to the Pledged Cash Collateral Accounts pursuant the BOTW Cash Secured Term Loan Documents, and the funds credited thereto or maintained therein and pledged to the holder(s) of the Debt outstanding under the BOTW Cash Secured Term Loan Documents in an aggregate amount not to exceed the aggregate principal amount outstanding under the BOTW Cash Secured Term Loan Documents; (h) Liens in favor of Agent under the Financing Documents; (i) Liens securing Debt permitted under clause (e) of the definition of “Permitted Debt”; *provided* that such Liens are limited to assets of Wellness LLC; (j) Liens securing Debt permitted under clause (f) of the definition of “Permitted Debt”; *provided* that such Liens are limited to assets of Real Estate LLC; (k) Liens on Collateral, other than Collateral which is part of the Borrowing Base, existing on the date hereof and set forth on Schedule 5.2 hereto; (l) Liens securing Debt permitted under clauses (c) or (d) of the definition of “Permitted Debt”, *provided*, that such Liens attach only to the equipment, software or other assets so financed (other than Accounts and Proceeds thereof) and that such Liens attached or shall attach concurrently with or within twenty (20) days after the acquisition thereof; (m) Liens in favor of the holders of the Affiliated Financing Documents; (n) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate do not materially interfere with the Ordinary Course of Business of the Credit Parties and

their Subsidiaries; and (o) Liens securing judgments for the payment of money not constituting an Event of Default hereunder.

“Permitted Modifications” means (a) such amendments or other modifications to a Borrower’s or Subsidiary’s Organizational Documents as are required under this Agreement or by applicable Law and fully disclosed to Agent within thirty (30) days after such amendments or modifications have become effective, and (b) such amendments or modifications to a Borrower’s or Subsidiary’s Organizational Documents (other than those involving a change in the name of a Borrower or Subsidiary or involving a reorganization of a Borrower or Subsidiary under the Laws of a different jurisdiction) that would not adversely affect the rights and interests of the Agent or Lenders and fully disclosed to Agent within thirty (30) days after such amendments or modifications have become effective.

“Person” means any natural person, corporation, limited liability company, professional association, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any Governmental Authority.

“Pledged Cash Collateral Accounts” means individually and collectively, those certain deposit account maintained by TCMC with BOTW or Compass Bank, or any successor bank, as of the Closing Date and the funds from time to time credited thereto and separately pledged as cash collateral to BOTW and Compass Bank (or to any successor holder(s) of the obligations of TCMC under the BOTW Cash Secured Term Loan Documents, to secure such obligations of TCMC under the BOTW Cash Secured Term Loan Documents.

“Pro Rata Share” means (a) with respect to a Lender’s obligation to make Revolving Loans, such Lender’s right to receive the unused line fee described in Section 2.2(b), the Revolving Loan Commitment Percentage of such Lender, (b) with respect to a Lender’s right to receive payments of principal and interest with respect to Revolving Loans, such Lender’s Revolving Loan Exposure with respect thereto, and (c) for all other purposes (including, without limitation, the indemnification obligations arising under Section 11.6) with respect to any Lender, the percentage obtained by *dividing* (i) the sum of the Revolving Loan Commitment Amount of such Lender (or, in the event the Revolving Loan Commitment shall have been terminated, such Lender’s then existing Revolving Loan Outstandings), *by* (ii) the sum of the Revolving Loan Commitment (or, in the event the Revolving Loan Commitment shall have been terminated, the then existing Revolving Loan Outstandings) of all Lenders.

“Proceeds” means “proceeds”, as defined in Article 9 of the UCC.

“Real Estate LLC” means Tri-City Real Estate Management and Holdings, LLC, a California limited liability company.

“Required Lenders” means at any time Lenders holding (a) sixty-six and two thirds percent (66 2/3%) or more of the Revolving Loan Commitment, or (b) if the Revolving Loan Commitment has been terminated, sixty-six and two thirds percent (66 2/3%) or more of the then aggregate outstanding principal balance of the Loans.

“Responsible Officer” means any of the Chief Executive Officer, Chief Financial Officer or any other officer of the applicable Borrower acceptable to Agent.

“Restricted Distribution” means as to any Person (a) any dividend or other distribution (whether in cash, securities or other property) on any equity interest in such Person (except those payable solely in its equity interests of the same class), (b) any payment by such Person on account of (i) the purchase,

redemption, retirement, defeasance, surrender, cancellation, termination or acquisition of any equity interests in such Person or any claim respecting the purchase or sale of any equity interest in such Person, or (ii) any option, warrant or other right to acquire any equity interests in such Person, (c) any management fees, salaries or other fees or compensation to any Person holding an equity interest in a Borrower or a Subsidiary of a Borrower (other than (i) payments of salaries to individuals, (ii) directors fees, and (iii) advances and reimbursements to employees or directors, all in the Ordinary Course of Business), an Affiliate of a Borrower or an Affiliate of any Subsidiary of a Borrower, (d) any lease or rental payments to an Affiliate or Subsidiary of a Borrower, or (e) repayments of or debt service on loans or other indebtedness held by any Person holding an equity interest in a Borrower or a Subsidiary of a Borrower, an Affiliate of a Borrower or an Affiliate of any Subsidiary of a Borrower unless permitted under and made pursuant to a Subordination Agreement applicable to such loans or other indebtedness.

“Revolving Lender” means each Lender having a Revolving Loan Commitment Amount in excess of Zero Dollars (\$0) (or, in the event the Revolving Loan Commitment shall have been terminated at any time, each Lender at such time having Revolving Loan Outstandings in excess of Zero Dollars (\$0)).

“Revolving Loan Availability” means, at any time, the Revolving Loan Limit *minus* the Revolving Loan Outstandings.

“Revolving Loan Borrowing” means a borrowing of a Revolving Loan.

“Revolving Loan Commitment” means, as of any date of determination, the aggregate Revolving Loan Commitment Amounts of all Lenders as of such date.

“Revolving Loan Commitment Amount” means, as to any Lender, the dollar amount set forth opposite such Lender’s name on the Commitment Annex under the column “Revolving Loan Commitment Amount” (if such Lender’s name is not so set forth thereon, then the dollar amount on the Commitment Annex for the Revolving Loan Commitment Amount for such Lender shall be deemed to be Zero Dollars (\$0)), as such amount may be adjusted from time to time by any amounts assigned (with respect to such Lender’s portion of Revolving Loans outstanding and its commitment to make Revolving Loans) pursuant to the terms of any and all effective assignment agreements to which such Lender is a party.

“Revolving Loan Commitment Percentage” means, as to any Lender, (a) on the Closing Date, the percentage set forth opposite such Lender’s name on the Commitment Annex under the column “Revolving Loan Commitment Percentage” (if such Lender’s name is not so set forth thereon, then, on the Closing Date, such percentage for such Lender shall be deemed to be zero), and (b) on any date following the Closing Date, the percentage equal to the Revolving Loan Commitment Amount of such Lender on such date *divided by* the Revolving Loan Commitment on such date.

“Revolving Loan Exposure” means, with respect to any Lender on any date of determination, the percentage equal to the amount of such Lender’s Revolving Loan Outstandings on such date *divided by* the aggregate Revolving Loan Outstandings of all Lenders on such date.

“Revolving Loan Limit” means, at any time, the lesser of (a) the Revolving Loan Commitment and (b) the Borrowing Base.

“Revolving Loan Outstandings” means, at any time of calculation, (a) the then existing aggregate outstanding principal amount of Revolving Loans, and (b) when used with reference to any

single Lender, the then existing outstanding principal amount of Revolving Loans advanced by such Lender.

“Revolving Loans” has the meaning set forth in Section 2.1(b).

“SEC” means the United States Securities and Exchange Commission.

“Securities Account” means a “securities account” (as defined in Article 9 of the UCC), an investment account, or other account in which investment property or securities are held or invested for credit to or for the benefit of any Borrower.

“Securities Account Control Agreement” means an agreement, in form and substance satisfactory to Agent, among Agent, any applicable Borrower and each securities intermediary in which such Borrower maintains a Securities Account pursuant to which Agent shall obtain “control” (as defined in Article 9 of the UCC) over such Securities Account.

“Security Document” means this Agreement and any other agreement, document or instrument executed concurrently herewith or at any time hereafter pursuant to which one or more Credit Parties or any other Person either (a) Guarantees payment or performance of all or any portion of the Obligations, and/or (b) provides, as security for all or any portion of the Obligations, a Lien on any of its assets in favor of Agent for its own benefit and the benefit of the Lenders, as any or all of the same may be amended, supplemented, restated or otherwise modified from time to time.

“Solvent” means, with respect to any Person, that such Person (a) owns and will own assets the fair saleable value of which are (i) greater than the total amount of its liabilities (including Contingent Obligations), and (ii) greater than the amount that will be required to pay the probable liabilities of its then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to it; (b) has capital that is not unreasonably small in relation to its business as presently conducted or after giving effect to any contemplated transaction; and (c) does not intend to incur and does not believe that it will incur debts beyond its ability to pay such debts as they become due.

“Subordinated Debt” means any Debt of Borrowers incurred pursuant to the terms of the Subordinated Debt Documents and with the prior written consent of Agent, all of which documents must be in form and substance acceptable to Agent in its sole discretion. As of the Closing Date, there is no Subordinated Debt.

“Subordinated Debt Documents” means any documents evidencing and/or securing Debt governed by a Subordination Agreement, all of which documents must be in form and substance acceptable to Agent in its sole discretion. As of the Closing Date, there are no Subordinated Debt Documents.

“Subordination Agreement” means any agreement between Agent and another creditor of Borrowers, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, pursuant to which the Debt owing from any Borrower(s) and/or the Liens securing such Debt granted by any Borrower(s) to such creditor are subordinated in any way to the Obligations and the Liens created under the Security Documents, the terms and provisions of such Subordination Agreements to have been agreed to by and be acceptable to Agent in the exercise of its sole discretion.

“Subsidiary” means, with respect to any Person, (a) any corporation of which an aggregate of more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, capital stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of more than fifty percent (50%) of such capital stock whether by proxy, agreement, operation of law or otherwise, and (b) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) or of which any such Person is a general partner or may exercise the powers of a general partner. Unless the context otherwise requires, each reference to a Subsidiary shall be a reference to a Subsidiary of a Borrower.

“Taxes” has the meaning set forth in Section 2.8.

“Termination Date” means the earlier to occur of (a) the Commitment Expiry Date, (b) any date on which Agent accelerates the maturity of the Loans pursuant to Section 10.2, or (c) the termination date stated in any notice of termination of this Agreement provided by Borrowers in accordance with Section 2.12.

“Third Party Payor” means Medicare, Medi-Cal, TRICARE, and other state or federal health care program, Blue Cross and/or Blue Shield, private insurers, managed care plans and any other Person or entity which presently or in the future maintains Third Party Payor Programs.

“Third Party Payor Programs” means all payment and reimbursement programs, sponsored by a Third Party Payor, in which a Borrower participates.

“TRICARE” means the program administered pursuant to 10 U.S.C. Section 1071 *et. seq.*, Sections 1320a-7 and 1320a-7a of Title 42 of the United States Code and the regulations promulgated pursuant to such statutes.

“Wellness Mortgage Loan Documents” means that certain Credit and Security Agreement dated as of July [29], 2013 among Wellness LLC, the several lenders party thereto and MidCap Funding RE Holdings, LLC, as administrative agent, and the other Financing Documents (as such term is defined therein) related thereto.

“Wellness LLC” means Tri-City Wellness, LLC, a California limited liability company.

“UCC” means the Uniform Commercial Code of the State of Maryland or of any other state the Laws of which are required to be applied in connection with the perfection or enforceability of security interests in any Collateral.

“United States” means the United States of America.

Section 1.2 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder (including, without limitation, determinations made pursuant to the exhibits hereto) shall be made, and all financial statements required to be delivered hereunder shall be prepared on a consolidated basis in accordance with GAAP applied on a basis consistent with the most recent audited consolidated financial statements of each Borrower and its Consolidated Subsidiaries delivered to Agent and each of the Lenders on or prior to the Closing Date. If at any time any change in GAAP would affect the computation of any

financial ratio or financial requirement set forth in any Financing Document, and either Borrowers or the Required Lenders shall so request, the Agent, the Lenders and Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); *provided, however*, that until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrowers shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement which include a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard having a similar result or effect) to value any Debt or other liabilities of any Credit Party or any Subsidiary of any Credit Party at “fair value”, as defined therein.

Section 1.3 Other Definitional and Interpretive Provisions. References in this Agreement to “Articles”, “Sections”, “Annexes”, “Exhibits”, or “Schedules” shall be to Articles, Sections, Annexes, Exhibits or Schedules of or to this Agreement unless otherwise specifically provided. Any term defined herein may be used in the singular or plural. “Include”, “includes” and “including” shall be deemed to be followed by “without limitation”. Except as otherwise specified or limited herein, references to any Person include the successors and assigns of such Person. References “from” or “through” any date mean, unless otherwise specified, “from and including” or “through and including”, respectively. Unless otherwise specified herein, the settlement of all payments and fundings hereunder between or among the parties hereto shall be made in lawful money of the United States and in immediately available funds. References to any statute or act shall include all related current regulations and all amendments and any successor statutes, acts and regulations. All amounts used for purposes of financial calculations required to be made herein shall be without duplication. References to any statute or act, without additional reference, shall be deemed to refer to federal statutes and acts of the United States. References to any agreement, instrument or document shall include all schedules, exhibits, annexes and other attachments thereto. As used in this Agreement, the meaning of the term “material” or the phrase “in all material respects” is intended to refer to an act, omission, violation or condition which reflects or could reasonably be expected to result in a Material Adverse Effect. References to capitalized terms that are not defined herein, but are defined in the UCC, shall have the meanings given them in the UCC. All references herein to times of day shall be references to daylight or standard time, as applicable.

Section 1.4 Time is of the Essence. Time is of the essence in Borrower’s and each other Credit Party’s performance under this Agreement and all other Financing Documents.

ARTICLE 2 - LOANS

Section 2.1 Loans.

(a) [Reserved]

(b) Revolving Loans.

(i) Revolving Loans and Borrowings. On the terms and subject to the conditions set forth herein, each Lender severally agrees to make loans to Borrowers from time to time as set forth herein (each a “**Revolving Loan**”, and collectively, “**Revolving Loans**”) equal to such Lender’s Revolving Loan Commitment Percentage of Revolving Loans requested by Borrowers hereunder, *provided, however*, that after giving effect thereto, the Revolving Loan Outstandings shall not exceed the Revolving Loan Limit. Borrowers shall deliver to Agent a

Notice of Borrowing with respect to each proposed Revolving Loan Borrowing, such Notice of Borrowing to be delivered before 1:00 p.m. (Eastern time) two (2) Business Days prior to the date of such proposed borrowing. The Borrowing Base shall be determined by Agent based on the most recent Borrowing Base Certificate delivered to Agent in accordance with this Agreement and such other information as may be available to Agent. Without limiting any other rights and remedies of Agent hereunder or under the other Financing Documents, the Revolving Loans shall be subject to Agent's continuing right to withhold reserves from the Borrowing Base, and to increase and decrease such reserves from time to time, if and to the extent that in Agent's good faith credit judgment and discretion, such reserves are necessary.

(ii) Mandatory Revolving Loan Repayments and Prepayments.

(A) The Revolving Loan Commitment shall terminate on the Termination Date. On the Termination Date, there shall become due, and Borrowers shall pay, the entire outstanding principal amount of each Revolving Loan, together with all accrued and unpaid interest thereon and all other fees and other outstanding Obligations pertaining thereto or otherwise outstanding under this Agreement or any of the other Financing Document; *provided, however*, that such payment is made not later than 12:00 Noon (Eastern Time) on the Termination Date.

(B) If at any time the Revolving Loan Outstandings exceed the Revolving Loan Limit, then, on the next succeeding Business Day, Borrowers shall repay the Revolving Loans in an aggregate amount equal to such excess.

(C) Principal payable on account of Revolving Loans shall be payable by Borrowers to Agent (I) immediately upon the receipt by any Borrower or Agent of any payments on or proceeds from any of the Accounts, to the extent of such payments or proceeds, as further described in Section 2.11 below, and (II) in full on the Termination Date.

(iii) Optional Prepayments. Borrowers may from time to time prepay the Revolving Loans in whole or in part, subject to the other provisions of this Agreement, including, without limitation, Section 2.2(d).

(iv) LIBOR Rate.

(A) Except as provided in subsection (C) below, Revolving Loans shall accrue interest at the LIBOR Rate *plus* the Applicable Margin.

(B) The LIBOR Rate may be adjusted by Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any eurodollar deposits or increased costs, in each case, due to changes in applicable Law occurring subsequent to the commencement of the then applicable Interest Period, including changes in tax Laws (except changes of general applicability in corporate income tax Laws) and changes in the reserve requirements imposed by the Board of Governors of the Federal Reserve System (or any successor), which additional or increased costs would increase the cost of funding loans bearing interest based upon the LIBOR Rate; *provided, however*, that notwithstanding anything in this Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives

promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “change in applicable Law”, regardless of the date enacted, adopted or issued. In any such event, the affected Lender shall give Borrowers and Agent notice of such a determination and adjustment and Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Borrowers may, by notice to such affected Lender (I) require such Lender to furnish to Borrowers a statement setting forth the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (II) repay the Loans bearing interest based upon the LIBOR Rate with respect to which such adjustment is made.

(C) In the event that any change in market conditions or any Law, regulation, treaty, or directive, or any change therein or in the interpretation of application thereof, shall at any time after the date hereof, in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain Loans bearing interest based upon the LIBOR Rate or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate, such Lender shall give notice of such changed circumstances to Agent and Borrowers and Agent promptly shall transmit the notice to each other Lender and (I) in the case of any outstanding Loans of such Lender bearing interest based upon the LIBOR Rate, the date specified in such Lender’s notice shall be deemed to be the last day of the Interest Period of such Loans, and interest upon such Lender’s Loans thereafter shall accrue interest at Base Rate *plus* the Applicable Margin, and (II) such Loans shall continue to accrue interest at Base Rate *plus* the Applicable Margin until such Lender determines that it would no longer be unlawful or impractical to maintain such Loans at the LIBOR Rate.

(D) Anything to the contrary contained herein notwithstanding, neither Agent nor any Lender is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues based on the LIBOR Rate.

Section 2.2 Interest, Interest Calculations and Certain Fees.

(a) Interest. From and following the Closing Date, except as expressly set forth in this Agreement, Loans and the other Obligations shall bear interest at the sum of the LIBOR Rate *plus* the Applicable Margin. Interest on the Loans shall be paid in arrears on the first (1st) day of each month and on the maturity of such Loans, whether by acceleration or otherwise. Interest on all other Obligations shall be payable upon demand. For purposes of calculating interest, all funds transferred to the Payment Account for application to any Revolving Loans shall be subject to a six (6) Business Day clearance period and all interest accruing on such funds during such clearance period shall accrue for the benefit of Agent, and not for the benefit of the Lenders.

(b) Unused Line Fee. From and following the Closing Date, Borrowers shall pay Agent, for the benefit of all Lenders committed to make Revolving Loans, in accordance with their respective Pro Rata Shares, a fee in an amount equal to (i) (A) the Revolving Loan Commitment *minus* (B) the average daily balance of the sum of the Revolving Loan Outstandings during the preceding month, *multiplied by* (ii) one half percent (0.50%) per annum. Such fee is to be paid monthly in arrears on the first day of each month.

(c) Fee Letter. In addition to the other fees set forth herein, the Borrowers agree to pay Agent the fees set forth in the Fee Letter.

(d) Deferred Revolving Loan Origination Fee. If Lenders' funding obligations in respect of the Revolving Loan Commitment under this Agreement terminate for any reason (whether by voluntary termination by Borrowers, by reason of the occurrence of an Event of Default or otherwise) prior to the Commitment Expiry Date, Borrowers shall pay to Agent, for the benefit of all Lenders committed to make Revolving Loans on the Closing Date, a fee as compensation for the costs of such Lenders being prepared to make funds available to Borrowers under this Agreement, equal to an amount determined by *multiplying* the Revolving Loan Commitment *by* the following applicable percentage amount: (i) two percent (2.0%) for the first year following the Closing Date, (ii) two percent (2.0%) for the second year following the Closing Date, and (iii) one percent (1.0%) thereafter. All fees payable pursuant to this paragraph shall be deemed fully earned and non-refundable as of the Closing Date.

(e) Audit Fees. Borrowers shall pay to Agent, for its own account and not for the benefit of any other Lenders, all reasonable fees and expenses in connection with audits and inspections of Borrowers' books and records, audits, valuations or appraisals of the Collateral, audits of Borrowers' compliance with applicable Laws and such other matters as Agent shall deem appropriate, which shall be due and payable on the first Business Day of the month following the date of issuance by Agent of a written request for payment thereof to Borrowers.

(f) Wire Fees. Borrowers shall pay to Agent, for its own account and not for the account of any other Lenders, on written demand, fees for incoming and outgoing wires made for the account of Borrowers, such fees to be based on Agent's then current wire fee schedule (available upon written request of the Borrowers).

(g) Late Charges. If payments of principal (other than a final installment of principal upon the Termination Date), interest due on the Obligations, or any other amounts due hereunder or under the other Financing Documents are not timely made and remain overdue for a period of five (5) days, Borrowers, without notice or demand by Agent, promptly shall pay to Agent, for its own account and not for the benefit of any other Lenders, as additional compensation to Agent in administering the Obligations, an amount equal to five percent (5.0%) of each delinquent payment.

(h) Computation of Interest and Related Fees. All interest and fees under each Financing Document shall be calculated on the basis of a 360-day year for the actual number of days elapsed. The date of funding of a Loan shall be included in the calculation of interest. The date of payment of a Loan shall be excluded from the calculation of interest. If a Loan is repaid on the same day that it is made, one (1) day's interest shall be charged.

Section 2.3 Notes. The portion of the Loans made by each Lender shall be evidenced, if so requested by such Lender, by one or more promissory notes executed by Borrowers on a joint and several basis (each, a "Note") in an original principal amount equal to such Lender's Revolving Loan Commitment Amount.

Section 2.4 [Reserved]

Section 2.5 [Reserved]

Section 2.6 General Provisions Regarding Payment; Loan Account.

(a) All payments to be made by each Borrower under any Financing Document, including payments of principal and interest made hereunder and pursuant to any other Financing Document, and all fees, expenses, indemnities and reimbursements, shall be made without set-off, recoupment or counterclaim. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension (it being understood and agreed that, solely for purposes of calculating financial covenants and computations contained herein and determining compliance therewith, if payment is made, in full, on any such extended due date, such payment shall be deemed to have been paid on the original due date without giving effect to any extension thereto). Any payments received in the Payment Account before 12:00 Noon (Eastern time) on any date shall be deemed received by Agent on such date, and any payments received in the Payment Account at or after 12:00 Noon (Eastern time) on any date shall be deemed received by Agent on the next succeeding Business Day.

(b) Agent shall maintain a loan account (the “**Loan Account**”) on its books to record Loans and other extensions of credit made by the Lenders hereunder or under any other Financing Document, and all payments thereon made by each Borrower. All entries in the Loan Account shall be made in accordance with Agent’s customary accounting practices as in effect from time to time. The balance in the Loan Account, as recorded in Agent’s books and records at any time shall be conclusive and binding evidence of the amounts due and owing to Agent by each Borrower absent manifest error; *provided, however*, that any failure to so record or any error in so recording shall not limit or otherwise affect any Borrower’s duty to pay all amounts owing hereunder or under any other Financing Document. Agent shall endeavor to provide Borrowers with a monthly statement regarding the Loan Account (but neither Agent nor any Lender shall have any liability if Agent shall fail to provide any such statement). Unless any Borrower notifies Agent of any objection to any such statement (specifically describing the basis for such objection) within ninety (90) days after the date of receipt thereof, it shall be deemed final, binding and conclusive upon Borrowers in all respects as to all matters reflected therein.

Section 2.7 Maximum Interest. In no event shall the interest charged with respect to the Loans or any other Obligations of any Borrower under any Financing Document exceed the maximum amount permitted under the Laws of the State of Maryland or of any other applicable jurisdiction. Notwithstanding anything to the contrary herein or elsewhere, if at any time the rate of interest payable hereunder or under any Note or other Financing Document (the “**Stated Rate**”) would exceed the highest rate of interest permitted under any applicable Law to be charged (the “**Maximum Lawful Rate**”), then for so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable shall be equal to the Maximum Lawful Rate; *provided, however*, that if at any time thereafter the Stated Rate is less than the Maximum Lawful Rate, each Borrower shall, to the extent permitted by Law, continue to pay interest at the Maximum Lawful Rate until such time as the total interest received is equal to the total interest which would have been received had the Stated Rate been (but for the operation of this provision) the interest rate payable. Thereafter, the interest rate payable shall be the Stated Rate unless and until the Stated Rate again would exceed the Maximum Lawful Rate, in which event this provision shall again apply. In no event shall the total interest received by any Lender exceed the amount which it could lawfully have received had the interest been calculated for the full term hereof at the Maximum Lawful Rate. If, notwithstanding the prior sentence, any Lender has received interest hereunder in excess of the Maximum Lawful Rate, such excess amount shall be applied to the reduction of the principal balance of

the Loans or to other amounts (other than interest) payable hereunder, and if no such principal or other amounts are then outstanding, such excess or part thereof remaining shall be paid to Borrowers. In computing interest payable with reference to the Maximum Lawful Rate applicable to any Lender, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate *divided by* the number of days in the year in which such calculation is made.

Section 2.8 Taxes; Capital Adequacy.

(a) All payments of principal and interest on the Loans and all other amounts payable hereunder shall be made free and clear of and without deduction for any present or future income, excise, stamp, documentary, payroll, employment, property or franchise taxes and other taxes, fees, duties, levies, assessments, withholdings or other charges of any nature whatsoever (including interest and penalties thereon) imposed by any taxing authority, excluding taxes imposed on or measured by Agent's or any Lender's net income by the jurisdictions under which Agent or such Lender is organized or conducts business (other than solely as the result of entering into any of the Financing Documents or taking any action thereunder) (all non-excluded items being called "**Taxes**"). If any withholding or deduction from any payment to be made by any Borrower hereunder is required in respect of any Taxes pursuant to any applicable Law, then Borrowers will: (i) pay directly to the relevant authority the full amount required to be so withheld or deducted; (ii) promptly forward to Agent an official receipt or other documentation satisfactory to Agent evidencing such payment to such authority; and (iii) pay to Agent for the account of Agent and Lenders such additional amount or amounts as is necessary to ensure that the net amount actually received by Agent and each Lender will equal the full amount Agent and such Lender would have received had no such withholding or deduction been required. If any Taxes are directly asserted against Agent or any Lender with respect to any payment received by Agent or such Lender hereunder, Agent or such Lender may pay such Taxes and Borrowers will promptly pay such additional amounts (including any penalty, interest or expense) as is necessary in order that the net amount received by such Person after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such Person would have received had such Taxes not been asserted so long as such amounts have accrued on or after the day which is two hundred seventy (270) days prior to the date on which Agent or such Lender first made written demand therefor.

(b) If any Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to Agent, for the account of Agent and the respective Lenders, the required receipts or other required documentary evidence, Borrowers shall indemnify Agent and Lenders for any incremental Taxes, interest or penalties that may become payable by Agent or any Lender as a result of any such failure.

(c) Each Lender that (i) is organized under the Laws of a jurisdiction other than the United States, and (ii)(A) is a party hereto on the Closing Date or (B) purports to become an assignee of an interest as a Lender under this Agreement after the Closing Date (unless such Lender was already a Lender hereunder immediately prior to such assignment) (each such Lender a "**Foreign Lender**") shall execute and deliver to each of Borrowers and Agent one or more (as Borrowers or Agent may reasonably request) United States Internal Revenue Service Forms W-8ECI, W-8BEN, W-8IMY (as applicable) and other applicable forms, certificates or documents prescribed by the United States Internal Revenue Service or reasonably requested by Agent certifying as to such Lender's entitlement to a complete exemption from withholding or deduction of Taxes. Borrowers shall not be required to pay additional amounts to any Lender pursuant to this Section 2.8 with respect to United States withholding and income Taxes to the extent that the obligation to pay such additional amounts would not have arisen but for the failure of such Lender to comply with this paragraph other than as a result of a change in Law.

(d) If any Lender shall determine in its commercially reasonable judgment that the adoption or taking effect of, or any change in, any applicable Law regarding capital adequacy, in each instance, after the Closing Date, or any change after the Closing Date in the interpretation, administration or application thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation, administration or application thereof, or the compliance by any Lender or any Person controlling such Lender with any request, guideline or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency adopted or otherwise taking effect after the Closing Date, has or would have the effect of reducing the rate of return on such Lender's or such controlling Person's capital as a consequence of such Lender's obligations hereunder to a level below that which such Lender or such controlling Person could have achieved but for such adoption, taking effect, change, interpretation, administration, application or compliance (taking into consideration such Lender's or such controlling Person's policies with respect to capital adequacy) then from time to time, upon written demand by such Lender (which demand shall be accompanied by a statement setting forth the basis for such demand and a calculation of the amount thereof in reasonable detail, a copy of which shall be furnished to Agent), Borrowers shall promptly pay to such Lender such additional amount as will compensate such Lender or such controlling Person for such reduction, so long as such amounts have accrued on or after the day which is two hundred seventy (270) days prior to the date on which such Lender first made demand therefor; *provided, however*, that notwithstanding anything in this Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "change in applicable Law", regardless of the date enacted, adopted or issued.

(e) If any Lender requires compensation under Section 2.8(d), or requires any Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.8(a), then, upon the written request of Borrower Representative, such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder (subject to the terms of this Agreement) to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or materially reduce amounts payable pursuant to any such subsection, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender (as determined in its sole discretion). Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 2.9 Appointment of Borrower Representative. Each Borrower hereby designates Borrower Representative as its representative and agent on its behalf for the purposes of issuing Notices of Borrowing, and Borrowing Base Certificates, and giving instructions with respect to the disbursement of the proceeds of the Loans, giving and receiving all other notices and consents hereunder or under any of the other Financing Documents and taking all other actions (including in respect of compliance with covenants) on behalf of any Borrower or Borrowers under the Financing Documents. Borrower Representative hereby accepts such appointment. Notwithstanding anything to the contrary contained in this Agreement, no Borrower other than Borrower Representative shall be entitled to take any of the foregoing actions. Each Borrower agrees that each notice, election, representation and warranty, covenant, agreement and undertaking made on its behalf by Borrower Representative shall be deemed for all purposes to have been made by such Borrower and shall be binding upon and enforceable against such Borrower to the same extent as if the same had been made directly by such Borrower.

Section 2.10 Joint and Several Liability. Borrowers are defined collectively to include all Persons named as one of the Borrowers herein; *provided, however*, that any references herein to “any Borrower”, “each Borrower” or similar references, shall be construed as a reference to each individual Person named as one of the Borrowers herein. Each Person so named shall be jointly and severally liable for all of the obligations of Borrowers under this Agreement. Each Borrower, individually, expressly understands, agrees and acknowledges, that the credit facilities would not be made available on the terms herein in the absence of the collective credit of all of the Persons named as the Borrowers herein, the joint and several liability of all such Persons, and the cross-collateralization of the collateral of all such Persons. Accordingly, each Borrower individually acknowledges that the benefit to each of the Persons named as one of the Borrowers as a whole constitutes reasonably equivalent value, regardless of the amount of the credit facilities actually borrowed by, advanced to, or the amount of collateral provided by, any individual Borrower. Without limiting the generality of the foregoing, the terms of Section 10.1 of this Agreement are to be applied to each individual Borrower named as one of the Borrowers herein (as well as to all such Borrowers taken as a whole).

Section 2.11 Collections and Lockbox Account.

(a) Borrowers shall maintain a lockbox (also herein referred to collectively in the singular as the “**Lockbox**”) with a United States depository institution designated from time to time by Agent (the “**Lockbox Bank**”), subject to the provisions of this Agreement, and shall execute with the Lockbox Bank a Deposit Account Control Agreement and such other agreements related to such Lockbox as Agent may require. Borrowers shall ensure that all collections of Accounts (other than Accounts for which the Account Debtor is a Governmental Account Debtor) are paid directly from Account Debtors (i) into the Lockbox for deposit into the Lockbox Account and/or (ii) directly into the Lockbox Account; *provided, however*, unless Agent shall otherwise direct by written notice to Borrowers, Borrowers shall be permitted to cause Account Debtors who are individuals to pay Accounts directly to Borrowers, which Borrowers shall then administer and apply in the manner required below. All funds deposited into a Lockbox Account shall be transferred into the Payment Account by the close of each Business Day.

(b) Subject to Schedule 7.4, if any of the Account Debtors are Governmental Account Debtors, Borrowers shall establish and maintain additional Lockboxes and related Lockbox Accounts with the Lockbox Bank, subject to the provisions of this Agreement, and shall execute with the Lockbox Bank a Deposit Account Restriction Agreement and such other agreements related to such Lockbox as Agent may require. A separate Lockbox shall be established for each Borrower that is a licensed provider under the Medicare, Medi-Cal or TRICARE programs, if applicable. Borrowers shall ensure that all collections of Accounts due from Governmental Account Debtors are paid directly from such Account Debtors into the applicable Lockbox and/or Lockbox Account established pursuant to this subsection for deposit into the Lockbox Account established pursuant to this subsection. All funds deposited into a Lockbox Account that is subject (or required to be subject) to a Deposit Account Restriction Agreement shall be transferred into either (at Agent’s option) (i) the Payment Account by the close of each Business Day, or (ii) the Lockbox Account established pursuant to Section 2.11(a), which such transfer shall be made via an automatic immediate intrabank transfer, and then transferred to the Payment Account by the close of each Business Day.

(c) Notwithstanding anything in any lockbox agreement or Deposit Account Control Agreement to the contrary, Borrowers agree that they shall be liable for any fees and charges in effect from time to time and charged by the Lockbox Bank in connection with the Lockbox, the Lockbox Account, and that Agent shall have no liability therefor. Borrowers hereby indemnify and agree to hold Agent harmless from any and all liabilities, claims, losses and demands whatsoever, including reasonable attorneys’ fees and expenses, arising from or relating to actions of Agent or the Lockbox

Bank pursuant to this Section or any lockbox agreement or Deposit Account Control Agreement or similar agreement, except to the extent of such losses arising solely from Agent's gross negligence or willful misconduct.

(d) Agent shall apply, on a daily basis, all funds transferred into the Payment Account pursuant to this Section to reduce the outstanding Revolving Loans in such order of application as Agent shall elect. If as the result of collections of Accounts pursuant to the terms and conditions of this Section, a credit balance exists with respect to the Loan Account, such credit balance shall not accrue interest in favor of Borrowers, but Agent shall transfer such funds into an account designated by Borrower Representative for so long as no Event of Default exists.

(e) To the extent that any collections of Accounts or proceeds of other Collateral are not sent directly to the Lockbox or Lockbox Account but are received by any Borrower, such collections shall be held in trust for the benefit of Agent pursuant to an express trust created hereby and immediately remitted, in the form received, to applicable Lockbox or Lockbox Account. No such funds received by any Borrower shall be commingled with other funds of the Borrowers. If any funds received by any Borrower are commingled with other funds of the Borrowers, or are required to be deposited to a Lockbox or Lockbox Account and are not so deposited within two (2) Business Days, then Borrowers shall pay to Agent, for its own account and not for the account of any other Lenders, a compliance fee equal to \$500 for each day that any such conditions exist.

(f) Borrowers acknowledge and agree that compliance with the terms of this Section is essential, and that Agent and Lenders will suffer immediate and irreparable injury and have no adequate remedy at law, if any Borrower, through acts or omissions, causes or permits Account Debtors to send payments other than to the Lockbox or Lockbox Accounts or if any Borrower fails to promptly deposit collections of Accounts or proceeds of other Collateral in the Lockbox Account as herein required. Accordingly, in addition to all other rights and remedies of Agent and Lenders hereunder, Agent shall have the right to seek specific performance of the Borrowers' obligations under this Section, and any other equitable relief as Agent may deem necessary or appropriate, and Borrowers waive any requirement for the posting of a bond in connection with such equitable relief.

(g) Borrowers shall not, and Borrowers shall not suffer or permit any Credit Party to, (i) withdraw any amounts from any Lockbox Account, (ii) change the procedures or sweep instructions under the agreements governing any Lockbox Accounts, or (iii) send to or deposit in any Lockbox Account any funds other than payments made with respect to and proceeds of Accounts or other Collateral. Borrowers shall, and shall cause each Credit Party to, cooperate with Agent in the identification and reconciliation on a daily basis of all amounts received in or required to be deposited into the Lockbox Accounts. If more than five percent (5%) of the collections of Accounts received by Borrowers during any given fifteen (15) day period is not identified or reconciled to the reasonable satisfaction of Agent within ten (10) Business Days of receipt, Agent shall not be obligated to make further advances under this Agreement until such amount is identified or is reconciled to the reasonable satisfaction of Agent, as the case may be. In addition, if any such amount cannot be identified or reconciled to the reasonable satisfaction of Agent, Agent may utilize its own staff or, if it deems necessary, engage an outside auditor, in either case at Borrowers' expense (which in the case of Agent's own staff shall be in accordance with Agent's then prevailing customary charges (*plus* expenses)), to make such examination and report as may be necessary to identify and reconcile such amount.

(h) If any Borrower breaches its obligation to direct payments of the proceeds of the Collateral to the Lockbox Account, Agent, as the irrevocably made, constituted and appointed true and lawful attorney for Borrowers, may, by the signature or other act of any of Agent's officers (without

requiring any of them to do so), direct any Account Debtor to pay proceeds of the Collateral to Borrowers by directing payment to the Lockbox Account.

Section 2.12 Termination; Restriction on Termination.

(a) Termination by Lenders. In addition to the rights set forth in Section 10.2, Agent may, and at the direction of Required Lenders shall, terminate this Agreement without notice upon or after the occurrence and during the continuance of an Event of Default.

(b) Termination by Borrowers. Upon at least thirty (30) days' prior written notice to Agent and Lenders, Borrowers may, at its option, terminate this Agreement; *provided, however*, that no such termination shall be effective until Borrowers have (i) complied with Section 2.2(d) and the terms of any Fee Letter, and (ii) paid in full all of the Affiliated Obligations (if any) in immediately available funds and terminated the Affiliated Financing Documents. Any notice of termination given by Borrowers shall be irrevocable unless all Lenders otherwise agree in writing and no Lender shall have any obligation to make any Loans on or after the termination date stated in such notice. Borrowers may elect to terminate this Agreement in its entirety only. No section of this Agreement or type of Loan available hereunder may be terminated singly.

(c) Effectiveness of Termination. All of the Obligations shall be immediately due and payable upon the Termination Date. Until all Obligations and Affiliated Obligations have been discharged or paid, in full, in immediately available funds, including, without limitation, all Obligations under Section 2.2(d) and the terms of any Fee Letter, all undertakings, agreements, covenants, warranties and representations of Borrowers contained in the Financing Documents shall survive any such termination and Agent shall retain its Liens in the Collateral and Agent and each Lender shall retain all of its rights and remedies under the Financing Documents notwithstanding such termination. Notwithstanding the foregoing or the payment in full of the Obligations, Agent shall not be required to terminate its Liens in the Collateral unless, with respect to any loss or damage Agent may incur as a result of dishonored checks or other items of payment received by Agent from Borrower or any Account Debtor and applied to the Obligations, Agent shall, at its option, (i) have received a written agreement satisfactory to Agent, executed by Borrowers and by any Person whose loans or other advances to Borrowers are used in whole or in part to satisfy the Obligations, indemnifying Agent and each Lender from any such loss or damage or (ii) have retained cash Collateral or other Collateral for such period of time as Agent, in its discretion, may deem necessary to protect Agent and each Lender from any such loss or damage.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

To induce Agent and Lenders to enter into this Agreement and to make the Loans and other credit accommodations contemplated hereby, each Borrower hereby represents and warrants to Agent and each Lender that:

Section 3.1 Existence and Power. TCMC is a California health care district duly organized under the California Health Care District Law and is validly existing and in good standing under the Laws of the State of California and the County of San Diego. Each other Credit Party is an entity as specified on Schedule 3.1, is duly organized, validly existing and in good standing under the Laws of the jurisdiction specified on Schedule 3.1 and no other jurisdiction. Each Credit Party has the same legal name as it appears in such Credit Party's Organizational Documents and an organizational identification number (if any), in each case as specified on Schedule 3.1, and has all powers, authority and all Permits necessary or desirable in the operation of its business as presently conducted or as proposed to be conducted, except where the failure to have such Permits could not reasonably be expected to have a

Material Adverse Effect. Each Credit Party is qualified to do business as a foreign entity in each jurisdiction in which it is required to be so qualified, which jurisdictions as of the Closing Date are specified on Schedule 3.1, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 3.1, no Credit Party (a) has had, over the five (5) year period preceding the Closing Date, any name other than its current name, or (b) was incorporated or organized under the Laws of any jurisdiction other than its current jurisdiction of incorporation or organization.

Section 3.2 Organization and Governmental Authorization; No Contravention. The execution, delivery and performance by each Credit Party of the Operative Documents to which it is a party are within its powers and authority (including all requisite authority under the California State Constitution and other applicable federal, state and local Laws, including, without limitation, the California Health Care District Law, including specifically Sections 32121 and 32130.6 thereof), have been duly authorized by all necessary action pursuant to its Organizational Documents, require no further action by or in respect of, or filing with, any Governmental Authority and do not violate, conflict with or cause a breach or a default under (a) any Law applicable to any Credit Party or any of the Organizational Documents of any Credit Party, or (b) any agreement or instrument binding upon it, except for such violations, conflicts, breaches or defaults as could not, with respect to this clause (b), reasonably be expected to have a Material Adverse Effect.

Section 3.3 Binding Effect. Each of the Operative Documents to which any Credit Party is a party constitutes a valid and binding agreement or instrument of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar Laws relating to the enforcement of creditors' rights generally and by general equitable principles.

Section 3.4 Capitalization. All issued and outstanding equity securities of each of the Credit Parties are duly authorized and validly issued, fully paid, nonassessable, free and clear of all Liens other than those in favor of Agent for the benefit of Agent and Lenders, and such equity securities were issued in compliance with all applicable Laws. There are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Credit Party of any equity securities of any such entity.

Section 3.5 Financial Information. All information delivered to Agent and pertaining to the financial condition of any Credit Party fairly presents the financial position of such Credit Party as of such date in conformity with GAAP (and as to unaudited financial statements, subject to normal year-end adjustments and the absence of footnote disclosures). Since May 31, 2013, except as disclosed on Schedule 3.5, there has been no material adverse change in the business, operations, properties, prospects or condition (financial or otherwise) of any Credit Party.

Section 3.6 Litigation. Except as set forth on Schedule 3.6 as of the Closing Date, and except as hereafter disclosed to Agent in writing, there is no Litigation pending against, or to such Borrower's knowledge threatened against or affecting, any Credit Party in which an adverse decision could reasonably be expected to have a Material Adverse Effect or which in any manner draws into question the validity of any of the Operative Documents.

Section 3.7 Ownership of Property. Each Borrower and each of its Subsidiaries is the lawful owner of, has good and marketable title to and is in lawful possession of, or has valid leasehold interests in, all properties and other assets (real or personal, tangible, intangible or mixed) purported or reported to be owned or leased (as the case may be) by such Person.

Section 3.8 No Default. No Event of Default, or to such Borrower's knowledge, Default, has occurred and is continuing. No Credit Party is in breach or default under or with respect to any Material Contract to which it is a party or by which its property is bound or affected, which breach or default could reasonably be expected to have a Material Adverse Effect.

Section 3.9 Labor Matters. As of the Closing Date, there are no strikes or other labor disputes pending or, to any Borrower's knowledge, threatened against any Credit Party. Hours worked and payments made to the employees of the Credit Parties have not been in violation of the Fair Labor Standards Act or any other applicable Law dealing with such matters. All payments due from the Credit Parties, or for which any claim may be made against any of them, on account of wages and employee and retiree health and welfare insurance and other benefits have been paid or accrued as a liability on their books, as the case may be. The consummation of the transactions contemplated by the Financing Documents will not give rise to a right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which it is a party or by which it is bound.

Section 3.10 Regulated Entities. No Credit Party is an "investment company" or a company "controlled" by an "investment company" or a "subsidiary" of an "investment company," all within the meaning of the Investment Company Act of 1940.

Section 3.11 Margin Regulations. None of the proceeds from the Loans have been or will be used, directly or indirectly, for the purpose of purchasing or carrying any "margin stock" (as defined in Regulation U of the Federal Reserve Board), for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any "margin stock" or for any other purpose which might cause any of the Loans to be considered a "purpose credit" within the meaning of Regulation T, U or X of the Federal Reserve Board.

Section 3.12 Compliance With Laws; Anti-Terrorism Laws.

(a) Each Credit Party is in compliance with the requirements of all applicable Laws, except for such Laws the noncompliance with which could not reasonably be expected to have a Material Adverse Effect.

(b) None of the Credit Parties and, to the knowledge of the Credit Parties, none of their Affiliates (i) is in violation of any Anti-Terrorism Law, (ii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, (iii) is a Blocked Person, or is controlled by a Blocked Person, (iv) is acting or will act for or on behalf of a Blocked Person, (v) is associated with, or will become associated with, a Blocked Person or (vi) is providing, or will provide, material, financial or technical support or other services to or in support of acts of terrorism of a Blocked Person. No Credit Party nor, to the knowledge of any Credit Party, any of its Affiliates or agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (B) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law.

Section 3.13 Taxes. All federal, state and local tax returns, reports and statements required to be filed by or on behalf of each Credit Party have been filed with the appropriate Governmental Authorities in all jurisdictions in which such returns, reports and statements are required to be filed and, except to the extent subject to a Permitted Contest, all Taxes (including real property Taxes) and other charges shown to be due and payable in respect thereof have been timely paid prior to the date on which

any fine, penalty, interest, late charge or loss may be added thereto for nonpayment thereof. Except to the extent subject to a Permitted Contest, all state and local sales and use Taxes required to be paid by each Credit Party have been paid. All federal and state returns have been filed by each Credit Party for all periods for which returns were due with respect to employee income tax withholding, social security and unemployment taxes, and, except to the extent subject to a Permitted Contest, the amounts shown thereon to be due and payable have been paid in full or adequate provisions therefor have been made.

Section 3.14 Compliance with ERISA.

(a) Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, each Borrower and each Subsidiary is in compliance with the applicable provisions of ERISA (or any similar state or other Law applying to “government plans” as defined in Section 414(d) of the Code or Section 3(32) of ERISA exempt from Title I and Title IV of ERISA) and the provision of the Codes or such other Law relating to ERISA Plans or such “government plans” and the regulations and published interpretations therein.

(b) No Credit Party has, to the extent the following Laws are applicable to such Credit Party (and to the extent any Credit Party has or maintains one or more “government plans” as defined in Section 414(d) of the Code or Section 3(32) of ERISA exempt from Title I and Title IV of ERISA, then under any analogous provisions under each such “government plan”), (a) engaged in any Prohibited Transactions as defined in Section 406 of ERISA and Section 4975 of the Code, (b) failed to meet any applicable minimum funding requirements under Section 302 of ERISA in respect of its plans and no funding requirements have been postponed or delayed, (c) any knowledge of any event or occurrence which would cause the PBGC to institute proceedings under Title IV of ERISA to terminate any of the employee benefit plans, (d) any fiduciary responsibility under ERISA for investments with respect to any plan existing for the benefit of Persons other than its employees or former employees, or (e) withdrawn, completely or partially, from any Multiemployer Plan so as to incur liability under the MultiEmployer Pension Plan Amendments of 1980. To the extent such Laws are applicable to any Credit Party (and if not, then with respect to such similar Laws affecting governmental employee pension benefit plans exempt from ERISA), there exists no event described in Section 4043 of ERISA, excluding Subsections 4043(b)(2) and 4043(b)(3) thereof, for which the required thirty (30) day notice period has not been waived.

Section 3.15 Consummation of Financing Documents; Brokers. Except for fees payable to Agent and/or Lenders, no broker, finder or other intermediary has brought about the obtaining, making or closing of the transactions contemplated by the Financing Documents, and no Credit Party has or will have any obligation to any Person in respect of any finder’s or brokerage fees, commissions or other expenses in connection herewith or therewith.

Section 3.16 Related Transactions. All transactions contemplated by the Operative Documents to be consummated on or prior to the date hereof have been so consummated (including, without limitation, the disbursement and transfer of all funds in connection therewith) in all material respects pursuant to the provisions of the applicable Operative Documents, true and complete copies of which have been delivered to Agent, and in compliance with all applicable Law, except for such Laws the noncompliance with which would not reasonably be expected to have a Material Adverse Effect.

Section 3.17 Material Contracts. Except for the Financing Documents and the other agreements set forth on Schedule 3.17 hereto (collectively with the Financing Documents, the “**Material Contracts**”), as of the Closing Date there are no (a) employment agreements covering the management of any Credit Party, (b) collective bargaining agreements or other similar labor agreements covering any employees of any Credit Party, (c) agreements for managerial, consulting or similar services to which any

Credit Party is a party or by which it is bound, (d) agreements regarding any Credit Party, its assets or operations or any investment therein to which any of its equity holders is a party or by which it is bound, (e) real estate leases, intellectual property licenses or other lease or license agreements to which any Credit Party is a party, either as lessor or lessee, or as licensor or licensee (other than licenses arising from the purchase of “off the shelf” products), (f) customer, distribution, marketing or supply agreements to which any Credit Party is a party, (g) third party billing arrangements to which any Credit Party is a party, in each case with respect to the preceding clauses (a) through (g) requiring payment of more than \$1,000,000 in any year, (h) partnership, limited liability or other joint venture agreements to which any Credit Party is a party to the extent such agreement (i) relates to such Credit Party’s equity interest in any Subsidiary or any other Person whose revenues or operations are material to TCMC or to the Credit Parties, taken as a whole, (ii) contains a “keep well” or comparable financial indemnity obligations on the part of such Credit Party in favor of such Person or (iii) otherwise requires the Credit Parties to make capital contributions after the Closing Date to such Person in an aggregate amount of not less than \$1,000,000 in any year, or (i) any other agreement or instrument to which any Credit Party is a party, the breach, nonperformance or cancellation of which, or the failure of which to renew, could reasonably be expected to have a Material Adverse Effect. Schedule 3.17 sets forth, with respect to each real estate lease agreement to which any Borrower is a party (as a lessee) as of the Closing Date, the address of the subject property and the annual rental (or, where applicable, a general description of the method of computing the annual rental). The consummation of the transactions contemplated by the Financing Documents will not give rise to a right of termination in favor of any party to any Material Contract (other than any Credit Party), except for such Material Contracts the noncompliance with which would not reasonably be expected to have a Material Adverse Effect.

Section 3.18 Compliance with Environmental Requirements; No Hazardous Materials. Except in each case as set forth on Schedule 3.18 hereto:

(a) no notice, notification, demand, request for information, citation, summons, complaint or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending, or to such Borrower’s knowledge, threatened by any Governmental Authority or other Person with respect to any (i) alleged violation by any Credit Party of any Environmental Law, (ii) alleged failure by any Credit Party to have any Permits required in connection with the conduct of its business or to comply with the terms and conditions thereof, (iii) any generation, treatment, storage, recycling, transportation or disposal of any Hazardous Materials, or (iv) release of Hazardous Materials; and

(b) no property now owned or leased by any Credit Party and, to the knowledge of each Borrower, no such property previously owned or leased by any Credit Party, to which any Credit Party has, directly or indirectly, transported or arranged for the transportation of any Hazardous Materials, is listed or, to such Borrower’s knowledge, proposed for listing, on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or any similar state list or is the subject of federal, state or local enforcement actions or, to the knowledge of such Borrower, other investigations which may lead to claims against any Credit Party for clean-up costs, remedial work, damage to natural resources or personal injury claims, including, without limitation, claims under CERCLA.

Section 3.19 Intellectual Property. Each Credit Party owns, is licensed to use or otherwise has the right to use, all intellectual property that is material to the condition (financial or other), business or operations of such Credit Party. All intellectual property existing as of the Closing Date which is issued, registered or pending with any United States or foreign Governmental Authority and all licenses under which any Borrower is the licensee of any such registered intellectual property owned by another Person are set forth on Schedule 3.19. All registered intellectual property of each Credit Party is duly and

properly registered, filed or issued in the appropriate office and jurisdictions for such registrations, filings or issuances, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 3.20 Solvency. After giving effect to the Loan advance and the liabilities and obligations of each Borrower under the Financing Documents, each Borrower and each additional Credit Party is Solvent.

Section 3.21 Full Disclosure. None of the written information (financial or otherwise) furnished by or on behalf of any Credit Party to Agent or any Lender in connection with the consummation of the transactions contemplated by the Financing Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which such statements were made. All financial projections delivered to Agent and the Lenders by Borrowers (or their agents) have been prepared on the basis of the assumptions stated therein. Such projections represent each Borrower's best estimate of such Borrower's future financial performance and such assumptions are believed by such Borrower to be fair and reasonable in light of current business conditions; *provided, however*, that Borrowers can give no assurance that such projections will be attained.

Section 3.22 Interest Rate. The rate of interest paid under the Notes and the method and manner of the calculation thereof do not violate any usury or other Law or applicable Laws, any of the Organizational Documents, or any of the Financing Documents.

Section 3.23 Subsidiaries. As of the Closing Date, Borrowers do not own any stock, partnership interests, limited liability company interests or other equity securities except as disclosed on Schedule 3.23.

ARTICLE 4 - AFFIRMATIVE COVENANTS

Each Borrower agrees that, so long as any Credit Exposure exists:

Section 4.1 Financial Statements and Other Reports. Borrowers will deliver to Agent: (a) as soon as available, but no later than forty-five (45) days after the last day of each month, commencing as of and for the month ending July 31, 2013, a company prepared consolidated (and, as to balance sheets and statements of income only, consolidating) balance sheet, cash flow and income statement covering Borrowers' and their respective Consolidated Subsidiaries' consolidated operations during the period, prepared under GAAP (except for the absence of footnote disclosures and year-end adjustments), consistently applied, certified by a Responsible Officer and in a form acceptable to Agent, and together with the financial reporting package described above, evidence of payment and satisfaction of all payroll, withholding and similar taxes due and owing by all Borrowers with respect to the payroll period(s) occurring during such month; (b) as soon as available, (i) but no later than seven (7) days after the last day of Thursday of each week, commencing as of August 8, 2013, through and including November 14, 2013, an average daily census for TCMC for the twenty-eight (28) days immediately preceding such date, and (ii) but no later than thirty (30) days after the last day of each month, commencing as of and for the month ending November 30, 2013, an average daily census for TCMC for the calendar month ending on such date; (c) as soon as available, but no later than one hundred fifty (150) days after the last day of TCMC's fiscal year, audited consolidated (and, as to balance sheets and statements of income only, company prepared unaudited consolidating) financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm acceptable to Agent in its reasonable discretion; (d) within five (5) days of delivery or filing thereof, copies of all statements, reports and notices made available to any holders of

Subordinated Debt; (e) a prompt written report of any legal actions pending or threatened against any Borrower or any of its Subsidiaries that could reasonably be expected to result in damages or costs to any Borrower or any of its Subsidiaries of \$500,000 of Borrowers or more; (f) prompt written notice of an event that materially and adversely affects the value of any intellectual property; and (g) budgets, sales projections, operating plans and other financial information and information, reports or statements regarding Borrowers, their businesses and the Collateral as Agent may from time to time reasonably request. Borrowers will, within forty-five (45) days after the last day of each month, deliver to Agent with the monthly financial statements in clause (a) above, a duly completed Compliance Certificate signed by a Responsible Officer setting forth calculations showing compliance with the financial covenants set forth in this Agreement. Promptly upon their becoming available and subject to Borrower's requirements under HIPAA, Borrowers shall deliver to Agent copies of all (i) all Material Contracts, (ii) Medicare, Medi-Cal and TRICARE cost reports prepared by, for or on behalf of Borrowers, (iii) Permits required by any applicable federal, state or local Law for the operation of Borrowers' businesses, (iv) Medicare, Medi-Cal and TRICARE provider numbers and related agreements, including, as applicable, in-service contracts, (v) validation, program integrity or other surveys conducted by the Joint Commission or any other Governmental Authority, including CMS, the California Department of Public Health or the California Department of Health Care Services, pertaining to the Hospital or any of the other Hospital Facilities or to any aspect of Borrowers' businesses (other than RAC reviews and regular cost report reviews conducted in the ordinary course). Borrowers will, within ten (10) days after the last day of each month, deliver to Agent a duly completed Borrowing Base Certificate signed by a Responsible Officer, with aged listings of accounts receivable and accounts payable (by invoice date). Borrowers shall, every ninety (90) days on a schedule to be designated by Agent, and at such other times as Agent shall request, deliver to Agent a schedule of Eligible Accounts denoting, for the thirty (30) largest Account Debtors during such quarter, and such Account Debtor's credit rating(s), if any, as rated by A.M. Best Company, Standard & Poor's Corporation, Moody's Investors Service, Inc., FITCH, Inc. or other applicable rating agent.

Section 4.2 Payment and Performance of Obligations. Each Borrower (a) will pay and discharge, and cause each Subsidiary to pay and discharge, on a timely basis as and when due, all of their respective obligations and liabilities, except for such obligations and/or liabilities (i) that may be the subject of a Permitted Contest, and (ii) the nonpayment or nondischarge of which could not reasonably be expected to have a Material Adverse Effect or result in a Lien against any Collateral, except for Permitted Liens, (b) without limiting anything contained in the foregoing clause (a), pay all amounts due and owing in respect of Taxes (including without limitation, payroll and withholdings tax liabilities) on a timely basis as and when due, and in any case prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for nonpayment thereof, (c) will maintain, and cause each Subsidiary to maintain, in accordance with GAAP, appropriate reserves for the accrual of all of their respective obligations and liabilities, and (d) will not breach or permit any Subsidiary to breach, or permit to exist any default under, the terms of any lease, commitment, contract, instrument or obligation to which it is a party, or by which its properties or assets are bound, except for such breaches or defaults which could not reasonably be expected to have a Material Adverse Effect.

Section 4.3 Maintenance of Existence. TCMC will maintain and keep in full force and effect its existence as a local healthcare district and political subdivision of the State of California and each Borrower, including, without limitation, TCMC, will maintain all material Permits and qualifications to do business and good standing in each jurisdiction in which the ownership or lease of property or the nature of its business makes such Permits or qualification necessary and in which failure to maintain such Permits or qualification could reasonably be expected to have in a Material Adverse Effect. In furtherance of the foregoing, each Borrower will (i) obtain and maintain all material Permits as are needed or required by Law to operate the

business related to or affecting the Hospital or any of the other Hospital Facilities or any ancillary businesses or operations conducted by such Borrower, and (ii) maintain adequate reserves to cover any potential reimbursement obligations that Borrower may have in respect of any such third party costs, reports, and such reserves are set forth in the financial statements delivered to Agent pursuant to Section 4.1.

Section 4.4 Maintenance of Property; Insurance.

(a) Each Borrower will keep, and will cause each Subsidiary to keep, all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted. If all or any part of the Collateral useful or necessary in its business, or upon which any Borrowing Base is calculated, becomes damaged or destroyed, each Borrower will, and will cause each Subsidiary to, promptly and completely repair and/or restore the affected Collateral in a good and workmanlike manner, regardless of whether Agent agrees to disburse insurance proceeds or other sums to pay costs of the work of repair or reconstruction.

(b) Upon completion of any Permitted Contest, Borrowers shall, and will cause each Subsidiary to, promptly pay the amount due, if any, and deliver to Agent proof of the completion of the contest and payment of the amount due, if any, following which Agent shall return the security, if any, deposited with Agent pursuant to the definition of Permitted Contest.

(c) Each Borrower will maintain, and will cause each Subsidiary to maintain, (i) casualty insurance on all real and personal property on an “all-risks” basis against all such losses, damages and hazards as are customarily insured against by hospitals and other businesses engaging in similar activities or owning similar assets or properties within the San Diego and Orange County, California region, covering the repair and replacement cost of all such property and coverage, business interruption and rent loss coverages with extended period of indemnity (for the period required by Agent from time to time) and indemnity for extra expense, in each case without application of coinsurance and with agreed amount endorsements (which may include self-insurance for worker’s compensation or joining a self-insurance pool), (ii) general and professional liability insurance (including medical malpractice and products/completed operations liability coverage), and (iii) such other insurance coverage in such amounts and with respect to such risks as Agent may request from time to time; *provided, however*, that in no event shall such insurance be in amounts or with coverage materially less than, or with carriers with qualifications materially inferior to, any of the insurance or carriers in existence as of the Closing Date (or required to be in existence after the Closing Date under a Financing Document), as evidenced by the insurance certificates attached hereto as Schedule 4.4 hereto. All such insurance shall be provided by insurers having an A.M. Best policyholders rating reasonably acceptable to Agent.

(d) On or prior to the Closing Date, and at all times thereafter, each Borrower will cause Agent to be named as an additional insured on each liability insurance policy required to be maintained pursuant to this Section 4.4 pursuant to endorsements in form and substance acceptable to Agent. Borrowers shall deliver to Agent and the Lenders (i) on the Closing Date, a certificate from Borrowers’ insurance broker dated such date showing the amount of coverage as of such date, and that such policies will include effective waivers (whether under the terms of any such policy or otherwise) by the insurer of all claims for insurance premiums against all additional insureds and all rights of subrogation against all additional insureds, and the insurer will agree to give at least thirty (30) days’ notice to each additional insured of any cancellation, termination or expiration of such insurance (*provided* that only ten (10) days shall be required in the event of any cancellation or termination resulting from the nonpayment of any applicable premium), (ii) on an annual basis, and upon the request of any Lender through Agent from time to time full information as to the insurance carried, (iii) within

five (5) days of receipt of notice from any insurer, a copy of any notice of cancellation, nonrenewal or material change in coverage from that existing on the date of this Agreement, (iv) forthwith, notice of any cancellation or nonrenewal of coverage by any Borrower, and (v) at least five (5) Business Days prior to expiration of any policy of insurance, evidence of renewal of such insurance upon the terms and conditions herein required.

(e) In the event any Borrower fails to provide Agent with evidence of the insurance coverage required by this Agreement, Agent may purchase insurance at Borrowers' expense to protect Agent's interests in the Collateral. This insurance may, but need not, protect such Borrower's interests. The coverage purchased by Agent may not pay any claim made by such Borrower or any claim that is made against such Borrower in connection with the Collateral. Such Borrower may later cancel any insurance purchased by Agent, but only after providing Agent with evidence that such Borrower has obtained insurance as required by this Agreement. If Agent purchases insurance for the Collateral, Borrowers will be responsible for the costs of that insurance to the fullest extent provided by Law, including interest and other charges imposed by Agent in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations. The costs of the insurance may be more than the cost of insurance such Borrower is able to obtain on its own.

Section 4.5 Compliance with Laws and Material Contracts. Each Borrower will comply, and cause each Subsidiary to comply, with the requirements of all applicable Laws and Material Contracts, except to the extent that failure to so comply could not reasonably be expected to (a) have a Material Adverse Effect, or (b) result in any Lien upon either (i) a material portion of the assets of any such Person in favor of any Governmental Authority, or (ii) any Collateral which is part of the Borrowing Base.

Section 4.6 Inspection of Property, Books and Records. Each Borrower will keep, and will cause each Subsidiary to keep, proper books of record substantially in accordance with GAAP in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities; and will permit, and will cause each Subsidiary to permit, at the sole cost of the applicable Borrower or any applicable Subsidiary, representatives of Agent and of any Lender to visit and inspect any of their respective properties, to examine and make abstracts or copies from any of their respective books and records, to conduct a collateral audit and analysis of their respective operations and the Collateral, to verify the amount and age of the Accounts, the identity and credit of the respective Account Debtors, to review the billing practices of Borrowers and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants as often as may reasonably be desired. In the absence of a Default or an Event of Default, Agent or any Lender exercising any rights pursuant to this Section 4.6 shall give the applicable Borrower or any applicable Subsidiary commercially reasonable prior notice of such exercise and Agent and Lenders shall not be entitled to exercise such rights more than six (6) times per calendar year. No notice shall be required during the existence and continuance of any Default or any time during which Agent reasonably believes a Default exists.

Section 4.7 Use of Proceeds. Borrowers shall use the proceeds of Revolving Loans solely for (a) transaction fees incurred in connection with the Financing Documents and the refinancing on the Closing Date of Debt (including the refinancing Borrower's existing revolving credit facility under the BOTW Cash Secured Term Loan Documents), (b) for working capital and other general corporate needs of Borrowers and their Subsidiaries (including, without limitation, Permitted Investments). No portion of the proceeds of the Loans will be used for family, personal, agricultural or household use.

Section 4.8 Estoppel Certificates. After written request by Agent, Borrowers, within fifteen (15) days and at their expense, will furnish Agent with a statement, duly acknowledged and certified,

setting forth (a) the amount of the original principal amount of the Notes, and the unpaid principal amount of the Notes, (b) the rate of interest of the Notes, (c) the date payments of interest and/or principal were last paid, (d) any offsets or defenses to the payment of the Obligations, and if any are alleged, the nature thereof, (e) that the Notes and this Agreement have not been modified or if modified, giving particulars of such modification, and (f) that there has occurred and is then continuing no Default or if such Default exists, the nature thereof, the period of time it has existed, and the action being taken to remedy such Default. After written request by Agent, Borrowers, within fifteen (15) days and at their expense, will furnish Agent with a certificate, signed by a Responsible Officer of Borrowers, updating all of the representations and warranties contained in this Agreement and the other Financing Documents and certifying that all of the representations and warranties contained in this Agreement and the other Financing Documents, as updated pursuant to such certificate, are true, accurate and complete as of the date of such certificate.

Section 4.9 Notices. Borrowers will give prompt written notice to Agent (a) of any litigation or governmental proceedings pending or threatened (in writing) against Borrowers or other Credit Party which would reasonably be expected to have a Material Adverse Effect with respect to Borrowers or any other Credit Party or which in any manner calls into question the validity or enforceability of any Financing Document, (b) upon any Borrower becoming aware of the existence of any Default or Event of Default, (c) if any Borrower or, to any Borrower's knowledge, any other Credit Party is in breach or default under or with respect to any Material Contract, or if any Credit Party is in breach or default under or with respect to any other contract, agreement, lease or other instrument to which it is a party or by which its property is bound or affected, which breach or default could reasonably be expected to have a Material Adverse Effect, (d) of any strikes or other labor disputes pending or, to any Borrower's knowledge, threatened against any Credit Party, (e) if there is any infringement or claim of infringement by any other Person with respect to any intellectual property rights of any Credit Party that could reasonably be expected to have a Material Adverse Effect, or if there is any claim by any other Person that any Credit Party in the conduct of its business is infringing on the intellectual property rights of others, (f) of all returns, recoveries, disputes and claims that involve more than \$250,000, (g) of receipt of any notice or request from any Governmental Authority or Governmental Account Debtor regarding any liability or claim of liability asserted against any Credit Party, (h) if any Account becomes evidenced or secured by an Instrument, (i) of any pending, threatened or actual investigation or survey of any Credit Party, its directors, officers or managing employees by any of the Medicare, Medi-Cal or TRICARE programs, or any other Third Party Payor Programs, (j) of any Credit Party becoming a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, (k) of any Credit Party becoming subject to reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority, (l) of any Credit Party becoming the subject of any investigation of any Third Party Payor program involving Governmental Account Debtors conducted by any federal or state enforcement agency, (m) of any Credit Party becoming a defendant in any qui tam/False Claims Act litigation or being served with or received any search warrant, subpoena, civil investigative demand or contact letter by or from any federal or state enforcement agency relating to an investigation, or (n) of any action by a Governmental Authority or other regulating entity of TCMC, or any voter initiative, which could adversely affect TCMC's status as a validly existing California public health care district in good standing; *provided, however*, that, notwithstanding the foregoing, TCMC shall not be required to give such notices as and when it is otherwise prohibited by applicable Law, including, without limitation, HIPAA, from doing so. Borrowers represent and warrant that Schedule 4.9 sets forth a complete list of all matters existing as of the Closing Date for which notice could be required under this Section and all litigation or governmental proceedings pending or threatened (in writing) against Borrowers or other Credit Party as of the Closing Date. Notwithstanding anything to the contrary herein, TCMC shall promptly provide Agent with notice of any material future developments with respect to the Disclosed Matter, which shall be deemed to satisfy Borrower's notice and disclosure obligations with respect to the Disclosed Matter hereunder.

Section 4.10 Hazardous Materials; Remediation.

(a) If any release or disposal of Hazardous Materials shall occur or shall have occurred on any real property or any other assets of any Borrower or any other Credit Party, such Borrower will cause, or direct the applicable Credit Party to cause, the prompt containment and removal of such Hazardous Materials and the remediation of such real property or other assets as is necessary to comply with all Environmental Laws and Healthcare Laws and to preserve the value of such real property or other assets. Without limiting the generality of the foregoing, each Borrower shall, and shall cause each other Credit Party to, comply with each Environmental Law and Healthcare Law requiring the performance at any real property by any Borrower or any other Credit Party of activities in response to the release or threatened release of a Hazardous Material.

(b) Borrowers will provide Agent within thirty (30) days after written demand therefor with a bond, letter of credit or similar financial assurance evidencing to the reasonable satisfaction of Agent that sufficient funds are available to pay the cost of removing, treating and disposing of any Hazardous Materials or Hazardous Materials Contamination and discharging any assessment which may be established on any property as a result thereof, such demand to be made, if at all, upon Agent's reasonable business determination that the failure to remove, treat or dispose of any Hazardous Materials or Hazardous Materials Contamination, or the failure to discharge any such assessment could reasonably be expected to have a Material Adverse Effect.

Section 4.11 Further Assurances.

(a) Each Borrower will, and will cause each Subsidiary to, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver all such further acts, documents and assurances as may from time to time be necessary or as Agent or the Required Lenders may from time to time reasonably request in order to carry out the intent and purposes of the Financing Documents and the transactions contemplated thereby, including all such actions to (i) establish, create, preserve, protect and perfect a first priority Lien (subject only to Permitted Liens) in favor of Agent for itself and for the benefit of the Lenders on the Collateral (including Collateral acquired after the date hereof), and (ii) unless Agent shall agree otherwise in writing, cause all Subsidiaries of Borrowers to be jointly and severally obligated with the other Borrowers under all covenants and obligations under this Agreement, including the obligation to repay the Obligations.

(b) Upon receipt of an affidavit of an officer of Agent or a Lender as to the loss, theft, destruction or mutilation of any Note or any other Financing Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or other applicable Financing Document, Borrowers will issue, in lieu thereof, a replacement Note or other applicable Financing Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Financing Document in the same principal amount thereof and otherwise of like tenor.

(c) Upon the formation or acquisition of a new Subsidiary after the Closing Date (it being understood and agreed that this Section 4.11 shall not apply to Wellness LLC or Real Estate LLC), Borrowers shall (i) unless Agent shall otherwise agree in writing, pledge, have pledged or cause or have caused to be pledged to the Agent pursuant to a pledge agreement in form and substance satisfactory to the Agent, all of the outstanding shares of equity interests or other equity interests of such new Subsidiary owned directly or indirectly by any Borrower, along with undated stock or equivalent powers for such certificates, executed in blank; (ii) unless Agent shall agree otherwise in writing, cause the new Subsidiary to take such other actions (including entering into or joining any Security Documents) as are necessary or advisable in the reasonable opinion of the Agent in order to grant the Agent, acting on behalf of the Lenders, a first priority Lien on all real and personal property of such Subsidiary in

existence as of such date and in all after acquired property, which first priority Liens are required to be granted pursuant to this Agreement; (iii) unless Agent shall agree otherwise in writing, cause such new Subsidiary to either (at the election of Agent) become a Borrower hereunder with joint and several liability for all obligations of Borrowers hereunder and under the other Financing Documents pursuant to a joinder agreement or other similar agreement in form and substance satisfactory to Agent or to become a Guarantor of the obligations of Borrowers hereunder and under the other Financing Documents pursuant to a guaranty and suretyship agreement in form and substance satisfactory to Agent; and (iv) cause the new Subsidiary to deliver certified copies of such Subsidiary's certificate or articles of incorporation, together with good standing certificates, by-laws (or other operating agreement or governing documents), resolutions of the Board of Directors or other governing body, approving and authorize the execution and delivery of the Security Documents, incumbency certificates and to execute and/or deliver such other documents and legal opinions or to take such other actions as may be requested by the Agent, in each case, in form and substance satisfactory to the Agent.

(d) Upon the request of Agent, Borrowers shall use commercially reasonable efforts to obtain a landlord's agreement or mortgagee agreement, as applicable, from the lessor of each leased property or mortgagee of owned property with respect to any business location where any material portion of the Collateral included in or proposed to be included in the Borrowing Base, or the records relating to such Collateral and/or software and equipment relating to such records or Collateral, is stored or located, which agreement or letter shall be reasonably satisfactory in form and substance to Agent. Borrowers shall timely and fully pay and perform its obligations under all Material Contracts with respect to each leased location where any Collateral, or any records related thereto, is or may be located.

Section 4.12 [Reserved]

Section 4.13 Power of Attorney. Each of the officers of Agent is hereby irrevocably made, constituted and appointed, subject to Agent's obligation to comply with HIPAA and other applicable Laws, the true and lawful attorney for Borrowers (without requiring any of them to act as such) with full power of substitution to do the following: (a) endorse the name of Borrowers upon any and all checks, drafts, money orders, and other instruments for the payment of money that are payable to Borrowers and constitute collections on Borrowers' Accounts; (b) so long as Agent has provided not less than three (3) Business Days' prior written notice to Borrower to perform the same and Borrower has failed to take such action, execute in the name of Borrowers any schedules, assignments, instruments, documents, and statements that Borrowers are obligated to give Agent under this Agreement; (c) after the occurrence and during the continuance of an Event of Default, take any action Borrowers are required to take under this Agreement; (d) so long as Agent has provided not less than three (3) Business Days' prior written notice to Borrower to perform the same and Borrower has failed to take such action, do such other and further acts and deeds in the name of Borrowers that Agent may deem necessary or desirable to enforce any Account or other Collateral or perfect Agent's security interest or Lien in any Collateral; and (e) after the occurrence and during the continuance of an Event of Default, do such other and further acts and deeds in the name of Borrowers that Agent may deem necessary or desirable to enforce its rights with regard to any Account or other Collateral. This power of attorney shall be irrevocable and coupled with an interest. Agent shall at all times comply with the requirements of HIPAA and if Borrower, in its reasonable opinion, determines that, by virtue of Agent's or any Lender's actions, Agent or such Lender is a Business Associate (as such term is defined in HIPAA), then Agent and/or such Lender, as applicable, shall execute a form of Business Associate Agreement reasonably acceptable to Borrower.

Section 4.14 Borrowing Base Collateral Administration.

(a) All data and other information relating to Accounts or other intangible Collateral shall at all times be kept by Borrowers, at their respective principal offices and shall not be

moved from such locations without (i) providing prior written notice to Agent, and (ii) obtaining the prior written consent of Agent, which consent shall not be unreasonably withheld.

(b) Borrowers shall provide prompt written notice to each Person who either is currently an Account Debtor or becomes an Account Debtor at any time following the date of this Agreement that directs each Account Debtor to make payments into the Lockbox, and hereby authorizes Agent, upon Borrowers' failure to send such notices within ten (10) days after the date of this Agreement (or ten (10) days after the Person becomes an Account Debtor), to send any and all similar notices to such Person. Agent reserves the right to notify Account Debtors that Agent has been granted a Lien upon all Accounts.

ARTICLE 5 - NEGATIVE COVENANTS

Each Borrower agrees that, so long as any Credit Exposure exists:

Section 5.1 Debt; Contingent Obligations. No Borrower will, or will permit any Subsidiary to, directly or indirectly, create, incur, assume, guarantee or otherwise become or remain directly or indirectly liable with respect to, any Debt, except for Permitted Debt. No Borrower will, or will permit any Subsidiary to, directly or indirectly, create, assume, incur or suffer to exist any Contingent Obligations, except for Permitted Contingent Obligations.

Section 5.2 Liens. No Borrower will, or will permit any Subsidiary to, directly or indirectly, create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except for Permitted Liens.

Section 5.3 Restricted Distributions. No Borrower will, or will permit any Subsidiary to, directly or indirectly, declare, order, pay, make or set apart any sum for any Restricted Distribution except as provided on Schedule 5.8.

Section 5.4 Restrictive Agreements. Except as permitted under Permitted Debt or Permitted Lens, no Borrower will, or will permit any Subsidiary to, directly or indirectly (a) enter into or assume any agreement prohibiting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired, or (b) create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind (except as provided by the Financing Documents) on the ability of any Subsidiary to: (i) pay or make Restricted Distributions to any Borrower or any Subsidiary; (ii) pay any Debt owed to any Borrower or any Subsidiary; (iii) make loans or advances to any Borrower or any Subsidiary; or (iv) transfer any of its property or assets to any Borrower or any Subsidiary.

Section 5.5 Payments and Modifications of Subordinated Debt. No Borrower will, or will permit any Subsidiary to, directly or indirectly (a) declare, pay, make or set aside any amount for payment in respect of Subordinated Debt, except for payments made in full compliance with and expressly permitted under the Subordination Agreement, (b) amend or otherwise modify the terms of any Subordinated Debt, except for amendments or modifications made in full compliance with the Subordination Agreement, (c) declare, pay, make or set aside any amount for payment in respect of any Debt hereinafter incurred that, by its terms, or by separate agreement, is subordinated to the Obligations, except for payments made in full compliance with and expressly permitted under the subordination provisions applicable thereto, or (d) amend or otherwise modify the terms of any such Debt if the effect of such amendment or modification is to (i) increase the interest rate or fees on, or change the manner or timing of payment of, such Debt, (ii) accelerate or shorten the dates upon which payments of principal or interest are due on, or the principal amount of, such Debt, (iii) change in a manner adverse to any Credit

Party or Agent any event of default or add or make more restrictive any covenant with respect to such Debt, (iv) change the prepayment provisions of such Debt or any of the defined terms related thereto, (v) change the subordination provisions thereof (or the subordination terms of any guaranty thereof), or (vi) change or amend any other term if such change or amendment would materially increase the obligations of the obligor or confer additional material rights on the holder of such Debt in a manner adverse to Borrowers, any Subsidiaries, Agents or Lenders. Borrowers shall, prior to entering into any such amendment or modification, deliver to Agent reasonably in advance of the execution thereof, any final or execution form copy thereof.

Section 5.6 Consolidations, Mergers and Sales of Assets; Change in Control. No Borrower will, or will permit any Subsidiary to, directly or indirectly (a) consolidate or merge or amalgamate with or into any other Person, or (b) consummate any Asset Dispositions other than Permitted Asset Dispositions. No Borrower will suffer or permit to occur any Change in Control with respect to itself, any Subsidiary or any Guarantor other than Permitted Transfers with respect to such Persons.

Section 5.7 Purchase of Assets, Investments. Except for Permitted Investments, no Borrower will, or will permit any Subsidiary to, directly or indirectly (a) acquire or enter into any agreement to acquire any assets other than in the Ordinary Course of Business; (b) engage or enter into any agreement to engage in any joint venture or partnership with any other Person; or (c) acquire or own or enter into any agreement to acquire or own any Investment in any Person.

Section 5.8 Transactions with Affiliates. Except as otherwise disclosed on Schedule 5.8 hereto, and except for transactions that are disclosed to Agent in advance of being entered into and which contain terms that are no less favorable to the applicable Borrower or any Subsidiary, as the case may be, than those which might be obtained from a third party not an Affiliate of any Credit Party, no Borrower will, or will permit any Subsidiary to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of any Borrower.

Section 5.9 Modification of Organizational Documents. No Borrower will, or will permit any Subsidiary to, directly or indirectly, amend or otherwise modify any Organizational Documents of such Person, except for Permitted Modifications.

Section 5.10 Modification of Certain Agreements. No Borrower will, or will permit any Subsidiary to, directly or indirectly, amend or otherwise modify any Material Contract, which amendment or modification in any case (a) is contrary to the terms of this Agreement or any other Financing Document; (b) could reasonably be expected to be adverse to the rights, interests or privileges of the Agent or the Lenders or their ability to enforce the same; (c) results in the imposition or expansion in any material respect of any obligation of or restriction or burden on any Borrower or any Subsidiary; or (d) reduces in any material respect any rights or benefits of any Borrower or any Subsidiaries (it being understood and agreed that any such determination shall be in the discretion of the Agent). Each Borrower shall, and shall cause each Subsidiary to, prior to entering into any amendment or other modification of any of the foregoing documents, deliver to Agent reasonably in advance of the execution thereof, any final or execution form copy of amendments or other modifications to such documents, and such Borrower agrees not to take, nor permit any of its Subsidiaries to take, any such action with respect to any such documents without obtaining such approval from Agent.

Section 5.11 Conduct of Business. No Borrower will, or will permit any Subsidiary to, directly or indirectly, engage in any line of business other than the operation of general, acute care

hospital and businesses reasonably related thereto. No Borrower will, or will permit any Subsidiary to, other than in the Ordinary Course of Business, change its normal billing payment and reimbursement policies and procedures with respect to its Accounts (including, without limitation, the amount and timing of finance charges, fees and write-offs).

Section 5.12 Lease Payments. No Borrower will, or will permit any Subsidiary to, directly or indirectly, incur or assume (whether pursuant to a Guarantee or otherwise) any liability for rental payments except in the Ordinary Course of Business or except as otherwise disclosed in Schedule 5.8.

Section 5.13 Limitation on Sale and Leaseback Transactions. No Borrower will, or will permit any Subsidiary to, directly or indirectly, enter into any arrangement with any Person whereby, in a substantially contemporaneous transaction, any Borrower or any Subsidiaries sells or transfers all or substantially all of its right, title and interest in an asset and, in connection therewith, acquires or leases back the right to use such asset.

Section 5.14 Deposit Accounts and Securities Accounts; Payroll and Benefits Accounts. No Borrower will, or will permit any Subsidiary to, directly or indirectly, establish any new Deposit Account or Securities Account without prior written notice to Agent, and unless Agent, such Borrower or such Subsidiary and the bank, financial institution or securities intermediary at which the account is to be opened enter into a Deposit Account Control Agreement or Securities Account Control Agreement prior to or concurrently with the establishment of such Deposit Account or Securities Account. Borrowers represent and warrant that Schedule 5.14 hereto lists all of the Deposit Accounts and Securities Accounts of each Borrower as of the Closing Date. The provisions of this Section requiring Deposit Account Control Agreements shall not apply to Deposit Accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrowers' employees and identified to Agent by Borrowers as such; *provided, however*, that at all times that any Obligations or Affiliated Obligations remain outstanding, Borrower shall maintain one or more separate Deposit Accounts to hold any and all amounts to be used for payroll, payroll taxes and other employee wage and benefit payments, and shall not commingle any monies allocated for such purposes with funds in any other Deposit Account.

Section 5.15 Compliance with Anti-Terrorism Laws. Agent hereby notifies Borrowers that pursuant to the requirements of Anti-Terrorism Laws, and Agent's policies and practices, Agent is required to obtain, verify and record certain information and documentation that identifies Borrowers and its principals, which information includes the name and address of each Borrower and its principals and such other information that will allow Agent to identify such party in accordance with Anti-Terrorism Laws. No Borrower will, or will permit any Subsidiary to, directly or indirectly, knowingly enter into any Material Contracts with any Blocked Person or any Person listed on the OFAC Lists. Each Borrower shall immediately notify Agent if such Borrower has knowledge that any Borrower, any additional Credit Party or any of their respective Affiliates or agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is or becomes a Blocked Person or (a) is convicted on, (b) pleads nolo contendere to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. No Borrower will, or will permit any Subsidiary to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti-Terrorism Law.

ARTICLE 6 - FINANCIAL COVENANTS

Section 6.1 Additional Defined Terms. The following additional definitions are hereby appended to Section 1.1 of this Agreement:

“Defined Period” means, for purposes of calculating the Fixed Charge Coverage Ratio as tested as of the last day of the applicable following months, the following corresponding periods: (a) for the month ending September 30, 2013, the period commencing July 1, 2013 and ending September 30, 2013, (b) for the month ending October 31, 2013, the period commencing July 1, 2013 and ending October 31, 2013, (c) for the month ending November 30, 2013, the period commencing July 1, 2013 and ending November 30, 2013, (d) for the month ending December 31, 2013, the period commencing July 1, 2013 and ending December 31, 2013, (e) for the month ending January 31, 2014, the period commencing July 1, 2013 and ending January 31, 2014, (f) for the month ending February 28, 2014, the period commencing July 1, 2013 and ending February 28, 2014, (g) for the month ending March 31, 2014, the period commencing July 1, 2013 and ending March 31, 2014, (h) for the month ending April 30, 2014, the period commencing July 1, 2013 and ending April 30, 2014, (i) for the month ending May 31, 2014, the period commencing July 1, 2013 and ending May 31, 2014, and (j) for the month ending June 30, 2014 and for each calendar month end thereafter, for the twelve (12) month period immediately preceding such calendar month end.

“Fixed Charge Coverage Ratio” means the ratio of Operating Cash Flow to Fixed Charges as calculated for the applicable Defined Period.

“Fixed Charges” has the meaning provided in the Compliance Certificate.

“Operating Cash Flow” has the meaning provided in the Compliance Certificate.

Section 6.2 Fixed Charge Coverage Ratio. Beginning with the Compliance Certificate to be delivered pursuant to Section 4.1 for the period ending September 30, 2013, Borrowers will not permit the Fixed Charge Coverage Ratio for any Defined Period, as tested monthly as of the last day of each calendar month, to be less than the ratio set forth in the table below for such Defined Period then ended:

Defined Period Ended	Fixed Charge Coverage Ratio
9/30/2013 through 5/31/2014	1.05 to 1.00
6/30/2014 and each Defined Period thereafter	1.10 to 1.00

Section 6.3 Minimum Average Daily Census. TCMC will maintain an average daily census, measured for the 28 day period immediately preceding each applicable test date, of at least 170. The average daily census shall be tested on a weekly basis commencing as of Thursday August 8, 2013, and continuing thereafter as of the Thursday of each successive week through and including Thursday, November 14, 2013.

Section 6.4 Evidence of Compliance. Borrowers shall furnish to Agent, together with the financial reporting required of Borrowers in Section 4.1 hereof, a Compliance Certificate as evidence of Borrowers’ compliance with the covenants in this Article and evidence that no Event of Default specified

in this Article has occurred. The Compliance Certificate shall include, without limitation, (a) a statement and report, on a form approved by Agent, detailing Borrowers' calculations, and (b) if requested by Agent, back-up documentation (including, without limitation, invoices, receipts and other evidence of costs incurred during such quarter as Agent shall reasonably require) evidencing the propriety of the calculations.

ARTICLE 7 - CONDITIONS

Section 7.1 Conditions to Closing. The obligation of each Lender to make the initial Loans on the Closing Date shall be subject to the receipt by Agent of each agreement, document and instrument set forth on the closing checklist prepared by Agent or its counsel, each in form and substance satisfactory to Agent, and such other closing deliverables reasonably requested by Agent and Lenders, and to the satisfaction of the following conditions precedent, each to the satisfaction of Agent and Lenders and their respective counsel in their sole discretion:

(a) Evidence that (i) the existing revolving loans and revolving commitment under the BOTW Cash Secured Term Loan Documents are being repaid in full and completely discharged and terminated and that the BOTW Cash Secured Term Loan Documents are being amended to eliminate any additional borrowing by TCMC concurrently with the initial funding of the Revolving Loans hereunder and (ii) all Liens (including Uniform Commercial Code financing statements) related to the foregoing are being terminated;

(b) Evidence that (i) each Borrower has marked its books and records pertaining to the Accounts pursuant to Section 9.2(m), (ii) each Borrower has delivered notices of the pledge of Accounts in favor of Agent, substantially in the form attached hereto as Exhibit E hereto, to the Account Debtors identified on Schedule 9.2 (Part A) hereto, and (iii) each document (including any Uniform Commercial Code financing statement) required by any Financing Document or under applicable Law or requested by Agent pursuant to this Agreement or any other Financing Document to be filed, registered, delivered or recorded in order to create in favor of Agent, an enforceable first priority security interest upon the Collateral has been so filed, registered, delivered or recorded;

(c) the payment of all fees, expenses and other amounts due and payable under each Financing Document;

(d) since May 31, 2013 (except as disclosed on Schedule 3.5 and approved by Agent and the lenders in their sole discretion) the absence of any material adverse change in any aspect of the business, operations, properties, prospects or condition (financial or otherwise) of any Credit Party or any seller of any assets or business to be purchased by any Borrower contemporaneous with the Closing Date, or any event or condition which could reasonably be expected to result in such a material adverse change; and

(e) the receipt of the initial Borrowing Base Certificate, prepared as of the Closing Date.

Each Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Financing Document, each additional Operative Document and each other document, agreement and/or instrument required to be approved by Agent, Required Lenders or Lenders, as applicable, on the Closing Date.

Section 7.2 Conditions to Each Loan. The obligation of the Lenders to make a Loan or an advance in respect of any Loan, is subject to the satisfaction of the following additional conditions:

(a) in the case of a Revolving Loan Borrowing, receipt by Agent of a Notice of Borrowing (or telephonic notice if permitted by this Agreement) and updated Borrowing Base Certificate;

(b) the fact that, immediately after such borrowing and after application of the proceeds thereof or after such issuance, the Revolving Loan Outstandings will not exceed the Revolving Loan Limit;

(c) the fact that, immediately before and after such advance or issuance, no Default or Event of Default shall have occurred and be continuing;

(d) the fact that the representations and warranties of each Credit Party contained in the Financing Documents shall be true, correct and complete in all material respects (or in all respects if such representation, warranty, certification or statement is by its terms already qualified as to materiality) on and as of the date of such borrowing, except to the extent that any such representation or warranty relates to a specific date in which case such representation or warranty shall be true, correct and complete in all material respects as of such earlier date (or in all respects if such representation, warranty, certification or statement is by its terms already qualified as to materiality) ;

(e) the fact that no adverse change in the condition (financial or otherwise), properties, business, prospects, or operations of Borrowers or any other Credit Party shall have occurred and be continuing with respect to Borrowers or any Credit Party since the date of this Agreement; and

(f) the continued compliance by Borrowers with all of the terms, covenants and conditions of Article 8 and, unless Agent shall elect otherwise from time to time, the absence of any fact, event or circumstance for which Borrower is required to give Agent notice under Article 8.

Each giving of a Notice of Borrowing hereunder and each acceptance by any Borrower of the proceeds of any Loan made hereunder shall be deemed to be (y) a representation and warranty by each Borrower on the date of such notice or acceptance as to the facts specified in this Section, and (z) a restatement by each Borrower that each and every one of the representations made by it in any of the Financing Documents is true and correct as of such date (except to the extent that such representations and warranties expressly relate solely to an earlier date).

Section 7.3 Searches. Before the Closing Date, and thereafter (as and when determined by Agent in its discretion), Agent shall have the right to perform, all at Borrowers' expense, the searches described in clauses (a), (b), and (c) below against Borrowers and any other Credit Party, the results of which are to be consistent with Borrowers' representations and warranties under this Agreement and the satisfactory results of which shall be a condition precedent to all advances of Loan proceeds: (a) UCC searches with the Secretary of State of the jurisdiction in which the applicable Person is organized; (b) judgment, pending litigation, federal tax lien, personal property tax lien, and corporate and partnership tax lien searches, in each jurisdiction searched under clause (a) above; and (c) searches of applicable corporate, limited liability company, partnership and related records to confirm the continued existence, organization and good standing of the applicable Person and the exact legal name under which such Person is organized.

Section 7.4 Post-Closing Requirements. Borrowers shall complete each of the post-closing obligations and/or provide to Agent each of the documents, instruments, agreements and information

listed on Schedule 7.4 hereto on or before the date set forth for each such item thereon, each of which shall be completed or provided in form and substance satisfactory to Agent.

ARTICLE 8 – REGULATORY MATTERS

Section 8.1 Additional Defined Terms. The following additional definitions are hereby appended to Section 1.1 of this Agreement:

“**Accrediting Organization**” means any Person from which any Borrower has received an accreditation as of the Closing Date or thereafter.

“**HIPAA**” means the Health Insurance Portability and Accountability Act of 1996, as the same may be amended, modified or supplemented from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

“**HIPAA Compliant**” shall mean that the applicable Person is in compliance with each of the applicable requirements of the so-called “Administrative Simplification” provisions of HIPAA, and is not and could not reasonably be expected to become the subject of any civil or criminal penalty, process, claim, action or proceeding, or any administrative or other regulatory review, survey, process or proceeding (other than routine surveys or reviews conducted by any government health plan or other accreditation entity) that could reasonably be expected to adversely affect such Person’s business, operations, assets, properties or condition (financial or otherwise), in connection with any actual or potential violation by such Person of the provisions of HIPAA.

Section 8.2 Representations and Warranties. To induce Agent and Lenders to enter into this Agreement and to make credit accommodations contemplated hereby, Borrowers hereby represent and warrant that, all of the information regarding the Borrowers set forth in Schedule 8.2(a) hereto is true, complete and correct, and that except as disclosed in Schedule 8.2(b) hereto, the following statements are true, complete and correct as of the date hereof, and Borrowers hereby covenant and agree to notify Agent within three (3) Business Days following the occurrence of any facts, events or circumstances known to a Borrower, whether threatened, existing or pending, that would make any of the following representations and warranties untrue, incomplete or incorrect (together with such supporting data and information as shall be necessary to fully explain to Agent the scope and nature of the fact, event or circumstance), and shall provide to Agent within two (2) Business Days of Agent’s request, such additional information as Agent shall request regarding such disclosure:

(a) Healthcare Permits. Borrowers and their respective Subsidiaries have (i) each Healthcare Permit and other rights from, and have made all declarations and filings with, all applicable Governmental Authorities, all self-regulatory authorities and all courts and other tribunals necessary to engage in the ownership, management and operation of the Hospital or any other Hospital Facility or any ancillary businesses or operations conducted by any Borrower or the assets of any Borrower or any Subsidiary, and (ii) no knowledge that any Governmental Authority is considering limiting, suspending or revoking any such Healthcare Permit. All such Healthcare Permits are valid and in full force and effect and Borrowers are in material compliance with the terms and conditions of all such Healthcare Permits, except where failure to be in such compliance or for a Healthcare Permit to be valid and in full force and effect would not have a Material Adverse Effect.

(b) Specific Licensing. The Hospital is duly licensed as a general, acute care hospital under the applicable Laws of the State of California. The licensed bed or unit capacity of the Hospital is shown on Schedule 8.2(a) hereto. No Borrower nor any of its respective Subsidiaries has granted to any third party the right to reduce the number of licensed beds, persons served or units in the

Hospital or the right to apply for approval to move any and all of the licensed beds, persons served or units in the Hospital to any other location and there are no proceedings or contemplated to reduce the number of licensed beds, persons served or units in the Hospital.

(c) [Reserved]

(d) [Reserved]

(e) Accreditation. Borrowers and their respective Subsidiaries have received and maintain accreditation in good standing and without impairment by all applicable Accrediting Organizations, to the extent required by applicable Law. No Borrower nor any of its respective Subsidiaries has received any notice or communication from any Accrediting Organization that it is (i) subject to or is required to file a plan of correction with respect to any accreditation survey, or (ii) in danger of losing its accreditation due to a failure to comply with a plan of correction.

(f) Participation Agreements/Provider Status/Cost Reports.

(i) There is no investigation, audit, claim review, or other action pending or, to the knowledge of any Borrower, threatened against any Borrower or any of its respective Subsidiaries which could result in a revocation, suspension, termination, probation, restriction, limitation, or non-renewal of any Third Party Payor participation agreement or provider number or other Healthcare Permit or result in a Borrower's exclusion from any Third Party Payor Program, nor has any Third Party Payor Program made any decision not to renew any participation agreement or provider agreement or other Healthcare Permit related to Hospital or any other Hospital Facility, nor have the Borrowers made any decision not to renew any participation agreement or provider agreement or other Healthcare Permit, nor is there any action pending or threatened to impose material intermediate or alternative sanctions with respect to Hospital or any other Hospital Facility.

(ii) The Borrowers, and, to the knowledge of the Borrowers, their contractors, have properly and legally billed all intermediaries and Third Party Payors for services rendered with respect to Hospital or any other Hospital Facility and have maintained their records to reflect such billing practices, except as may be disclosed and adjusted during quarterly audits in the Ordinary Course of Business. No funds relating to Borrowers are now, or, to the knowledge of Borrowers will be, withheld by any Third Party Payor.

(iii) Borrowers have the requisite participation agreement or provider number or other Healthcare Permit to bill the Medicare, Medi-Cal and TRICARE programs and all other Third Party Payor Programs which have historically accounted for any portion of the revenues of the Hospital and the other Hospital Facilities.

(iv) All Medicare, Medi-Cal, TRICARE and private insurance cost reports and financial reports submitted by Borrowers are and will be materially accurate and complete and have not been and will not be misleading in any material respects. No cost reports for Hospital or any other Hospital Facility remains "open" or unsettled and there are no current, pending or outstanding Medicare, Medi-Cal, TRICARE or other Third Party Payor Program reimbursement audits or appeals pending with respect to Hospital or any other Hospital Facility or Borrowers, except audits and cost report reviews in the Ordinary Course of Business.

(g) No Violation of Healthcare Laws.

(i) Neither the Hospital nor any of the other Hospital Facilities nor any of the Borrowers or any of their respective Subsidiaries are in violation of any Healthcare Laws, except where any such violation would not have a Material Adverse Effect.

(ii) Borrowers and their respective Subsidiaries are and at all times shall remain HIPAA Compliant.

(iii) Neither the Hospital nor any of the other Hospital Facilities has received a statement of deficiencies or survey violation from any Governmental Authority within the past three (3) years for which a plan of correction has not been filed with the applicable state authority. Neither the Hospital nor any of the other Hospital Facilities is currently subject to any plan of correction that has not been accepted by or is currently the subject of a review by the applicable state authority. No Borrower nor any of its respective Subsidiaries has received notice of any charges of patient abuse.

(iv) Each Borrower and its respective Subsidiaries have maintained in all material respects all records required to be maintained by the Joint Commission, the Food and Drug Administration, Drug Enforcement Agency, the California Department of Public Health, the California Department of Health Care Services, the California Health and Human Services Agency, State Boards of Pharmacy and the federal and state Medicare, Medi-Cal and TRICARE programs as required by applicable Healthcare Laws and, to the best knowledge of each Borrower, there are no presently existing circumstances which likely would result in a material violation of any applicable provision of any Healthcare Law.

(h) Proceedings. No Borrower nor any of its respective Subsidiaries nor the Hospital nor any of the other Hospital Facilities is subject to any sanctions, proceeding, suit or, to Borrowers' knowledge, investigation by any federal, state or local government or quasi-governmental body, agency, board or authority or any other administrative or investigative body (including the Office of the Inspector General of the United States Department of Health and Human Services): (i) which may result in the imposition of a fine, alternative, interim or final sanction, a lower reimbursement rate for services rendered to eligible patients which has not been provided for on their financial statements delivered to Agent pursuant to Section 4.1, or which could reasonably be expected to have a Material Adverse Effect; (ii) which could result in the revocation, transfer, surrender, suspension or other impairment of the operating certificate, provider agreement or Healthcare Permits of the Hospital or any of the other Hospital Facilities; (iii) which pertains to or requests any voluntary disclosure pertaining to a potential overpayment matter involving the submission of claims to such payor by a Borrower; or (iv) which pertains to any state or federal Medicare, Medi-Cal or TRICARE cost reports or claims filed by any Borrower (including, without limitation, any reimbursement audits), or any disallowance by any commission, board or agency in connection with any audit of such cost reports;

(i) Ancillary Laws. No Borrower nor any of its respective Subsidiaries has received notice, and neither are any of them aware, of any violation of applicable antitrust laws, employment or landlord-tenant Laws of any federal, state or local government or quasi-governmental body, agency, board or other authority with respect to the Hospital or any of the other Hospital Facilities or the Borrowers.

(j) Hill-Burton. No Borrower or any of their respective Subsidiaries is or will be a participant in any federal program whereby any federal, state or local government or quasi-governmental body, agency, board or other authority may have the right to recover funds by reason of the advance of

federal funds, including, without limitation, those authorized under the Hill-Burton Act (42 U.S.C. 291, et seq.).

(k) Fraud and Abuse.

(i) No Borrower has, or to its knowledge has been threatened to have, and no owner, officer, manager, employee or Person with a “direct or indirect ownership interest” (as that phrase is defined in 42 C.F.R. §420.201) in any Borrower of any of their respective Subsidiaries has, engaged in any of the following: (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 under any Healthcare Laws; (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 under any Healthcare Laws; (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 under any Healthcare Laws on its own behalf or on behalf of another, with intent to secure such benefit or payment fraudulently; (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 (I) in return for referring an individual to a Person 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 any Healthcare Laws, or (II) 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 any Healthcare Laws; (E) presenting or causing to be presented a claim for reimbursement for services that is for an item or services that was known or should have been known to be (I) not provided as claimed, or (II) false or fraudulent; or (F) knowingly and willfully making or causing to be made or inducing or seeking to induce the making of any false statement or representation (or omitting to state a fact required to be stated therein or necessary to make the statements contained therein not misleading) of a material fact with respect to (I) the Hospital or any of the other Hospital Facilities in order that the Hospital or such other Hospital Facility, as the case may be, may qualify for Governmental Authority certification, or (II) information required to be provided under 42 U.S.C. § 1320a-3. All contractual arrangements to which Borrower is a party are in compliance with all Healthcare Laws.

(ii) No Borrower has been, or to its knowledge has been threatened to be, and no owner, officer, manager, employee or Person with a “direct or indirect ownership interest” (as that phrase is defined in 42 C.F.R. §420.201) in any Borrower or any of their respective Subsidiaries: (A) has had a civil monetary penalty assessed against him or her pursuant to 42 U.S.C. §1320a-7a or is the subject of a proceeding seeking to assess such penalty; (B) has been excluded from participation in a Federal Health Care Program (as that term is defined in 42 U.S.C. §1320a-7b) or is the subject of a proceeding seeking to assess such penalty, or has been “suspended” or “debarred” from selling products to the U.S. government or its agencies pursuant to the Federal Acquisition Regulation, relating to debarment and suspension applicable to federal government agencies generally (48 C.F.R. Subpart 9.4), or other applicable Laws; (C) has been convicted (as that term is defined in 42 C.F.R. §1001.2) of any of those offenses described in 42 U.S.C. §1320a-7b or 18 U.S.C. §§669, 1035, 1347, 1518 or is the subject of a proceeding seeking to assess such penalty; (D) has been involved or named in a U.S. Attorney complaint made or any other action taken pursuant to the False Claims Act under 31 U.S.C. §§3729-3731 or qui tam action brought pursuant to 31 U.S.C. §3729 *et seq.*; (E) has been made a party to any other action by any governmental authority that may prohibit it from selling products to any governmental or other purchaser pursuant to any Law; or (F) was or has become subject to any federal, state, local governmental or private payor civil or criminal investigations or inquiries, proceedings,

validation review, program integrity review or statement of charges involving and/or related to its compliance with Healthcare Laws or involving or threatening its participation in Medicare, Medi-Cal or other Third Party Payor Programs or its billing practices with respect thereto (other than RAC reviews and regular cost report reviews in the Ordinary Course of Business).

Section 8.3 [Reserved]

Section 8.4 Healthcare Operations.

(a) Borrowers will:

(i) (1) maintain applicable Medicare and Medi-Cal provider numbers, (2) maintain applicable TRICARE provider numbers, (3) have filed with Medicare and Medi-Cal all reassignment of benefit notices for payments for medical and health care services rendered by physicians at the Hospital or any of the other Hospital Facilities, to the extent such reassignments are required under applicable Medicare, Medi-Cal and TRICARE rules, and (4) to the extent any Borrower shall enter into any other arrangements with non-governmental third-party payors, use commercially reasonable efforts to enter into agreements with such third-party payors in form and substance satisfactory to Agent.

(ii) timely file or caused to be timely filed (after giving effect to any extension duly obtained), all notifications, reports, submissions, Permit renewals and reports (other than cost reports as provided in Section 8.4(a)(ii) below) of every kind whatsoever required by Healthcare Laws (which reports will be materially accurate and complete in all respects and not misleading in any respect and shall not remain open or unsettled); and

(iii) timely file or caused to be timely filed (after giving effect to any extension duly obtained), all cost reports required by Healthcare Laws, which reports shall be materially accurate and complete in all respects and not misleading in any material respect and which shall not remain open or unsettled, except in accordance with applicable settlement appeals procedures that are timely and diligently pursued and except for any processing delays of any Governmental Authority.

(b) Borrowers will maintain in full force and effect, and free from restrictions, probations, conditions or known conflicts which would materially impair the use or operation of the Hospital or any of the other Hospital Facilities for its current use, all Healthcare Permits necessary under Healthcare Laws to carry on the business of Borrowers as it is conducted on the Closing Date.

(c) Borrowers will not suffer or permit to occur any of the following:

(i) any transfer of a Healthcare Permit or rights thereunder to any Person (other than Borrowers or Agent) or to any location other than a Hospital Facility approved by Agent in advance in writing;

(ii) any pledge or hypothecation of any Healthcare Permit as collateral security for any indebtedness other than indebtedness to Agent;

(iii) any rescission, withdrawal, revocation, amendment or modification of or other alteration to the nature, tenor or scope of any Healthcare Permit without Agent's prior written consent, including, without limitation, (A) any change to the authorized units/beds and persons served capacity of the Hospital or any of the other Hospital Facilities and/or the number

of units/beds and persons served approved by the applicable Governmental Authority, and (B) any transfer all or any part of the Hospital's authorized units or beds to another site or location;

(iv) without Agent's prior written consent, the provision by any Borrower of additional regulated services at the Hospital or any of the other Hospital Facilities, including, without limitation, medical services; or

(v) any fact, event or circumstance for which notice to Agent is required under Section 8.2.

(d) Borrowers will maintain a corporate health care regulatory compliance program ("CCP") which includes at least the following components and allows Agent and/or any outside consultants from time to time to review such CCP: (i) standards of conduct and procedures that describe compliance policies regarding Laws with an emphasis on prevention of fraud and abuse; (ii) specific officer within high-level personnel identified as having overall responsibility for compliance with such standards and procedures; (iii) training and education programs which effectively communicate the compliance standards and procedures to employees and agents, including, without limitation, fraud and abuse Laws and illegal billing practices; (iv) auditing and monitoring systems and reasonable steps for achieving compliance with such standards and procedures including, without limitation, publicizing a report system to allow employees and other agents to anonymously report criminal or suspect conduct and potential compliance problems; (v) disciplinary guidelines and consistent enforcement of compliance policies including, without limitation, discipline of individuals responsible for the failure to detect violations of the CCP; and (vi) mechanisms to immediately respond to detected violations of the CCP.

(e) If the Hospital nor any of the other Hospital Facilities is currently accredited by an Accrediting Organization, Borrowers will (i) maintain such accreditation in good standing and without limitation or impairment, (ii) promptly submit to the Accrediting Organization a plan of correction for any deficiencies listed on any accreditation survey report, and (iii) cure all such deficiencies within such time frame as is necessary to preserve and maintain in good standing and without limitation or impairment such accreditation.

Section 8.5 Third Party Payor Programs. Neither the Hospital nor any of the other Hospital Facilities, nor any Borrower, shall, other than in the Ordinary Course of Business, change the terms of any Third Party Payor Programs or its normal billing payment and reimbursement policies and procedures with respect thereto (including, without limitation, the amount and timing of finance charges, fees and write-offs). Borrowers will (a) maintain in full force and effect, and free from restrictions, probations, conditions or known conflicts which would materially impair the use or operation of the Hospital or any of the other Hospital Facilities for its current use, all Healthcare Permits necessary under Healthcare Laws to continue to receive reimbursement under all Third Party Payor Programs in which any Borrower or the Hospital nor any of the other Hospital Facilities participates as of the date of this Agreement, and (b) provide to Agent upon request, an accurate, complete and current list of all participation agreements with Third Party Payors with respect to the business of Borrowers. Borrowers shall at all times comply with all requirements, contracts, conditions and stipulations applicable to Borrowers in order to maintain in good standing and without default or limitation all such participation agreements.

Section 8.6 Cures. If there shall occur any fact, event or circumstance for which Borrowers are required to give Agent notice under Section 8.2 above after the Closing Date, Borrowers shall take such action as is necessary to validly challenge or otherwise appropriately respond to such fact, event or circumstance within any timeframe required by applicable Healthcare Laws, and shall thereafter diligently pursue the same to a favorable conclusion, all to the effect that the fact, event or circumstance

giving rise to Borrowers' notice obligation under Section 8.2 shall be dismissed, rescinded, eliminated and otherwise cease to exist on that date which is the earlier to occur of (a) sixty (60) days after the date any Borrower or any of its Affiliates became aware of such fact, event or circumstance, or (b) the expiration of any cure period given under applicable Healthcare Laws.

ARTICLE 9 - SECURITY AGREEMENT

Section 9.1 Generally. As security for the payment and performance of the Obligations, and for the payment and performance of all obligations under the Affiliated Financing Documents (if any) and without limiting any other grant of a Lien and security interest in any Security Document, Borrowers hereby assign and grant to Agent, for the benefit of itself and Lenders, a continuing first priority Lien on and security interest in, upon, and to the personal property set forth on Schedule 9.1 hereto and made a part hereof.

Section 9.2 Representations and Warranties and Covenants Relating to Collateral.

(a) Schedule 9.2 hereto sets forth (i) each chief executive office and principal place of business of each Borrower and each of their respective Subsidiaries, and (ii) all of the addresses at which any material portion of the Collateral is located and/or books and records of Borrowers regarding any material portion of the Collateral are kept, which such Schedule 9.2 indicates in each case which Borrower(s) have Collateral and/or books and records located at such address, and, in the case of any such address are leased by one or more of the Borrowers(s), indicates the nature of such location (e.g., leased business location operated by Borrower(s)) and the name and address of the third party owning and/or operating such location.

(b) No authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or consent of any other Person is required for (i) the grant by each Borrower to Agent of the security interests and Liens in the Collateral provided for under this Agreement and the other Security Documents (if any), or (ii) the exercise by Agent of its rights and remedies with respect to the Collateral provided for under this Agreement and the other Security Documents or under any applicable Law, including the UCC and neither any such grant of Liens in favor of Agent or exercise of rights by Agent shall violate or cause a default under any agreement between any Borrower and any other Person relating to any such collateral.

(c) As of the Closing Date, no Borrower has any ownership interest in any Chattel Paper (as defined in Article 9 of the UCC), letter-of-credit rights, commercial tort claims, Instruments, documents or investment property and Borrowers shall give notice to Agent promptly upon the acquisition by any Borrower of any such property. No Person other than Agent or (if applicable) any Lender has "control" (as defined in Article 9 of the UCC) over any Deposit Account or Security Account, investment property, letter-of-credit rights or electronic chattel paper in which any Borrower has any interest (except for such control arising by operation of law in favor of any bank or securities intermediary with whom any Deposit Account or Securities Account of Borrowers is maintained).

(d) Borrowers shall not, and shall not permit any Credit Party to, take any of the following actions or make any of the following changes unless Borrowers have given at least thirty (30) days prior written notice to Agent of Borrowers' intention to take any such action (which such written notice shall include an updated version of any Schedule impacted by such change) and have executed any and all documents, instruments and agreements and taken any other actions which Agent may request after receiving such written notice in order to protect and preserve the Liens, rights and remedies of Agent with respect to the Collateral: (i) change the legal name or organizational identification number of any Credit Party as it appears in official filings in the jurisdiction of its organization,

(ii) change the jurisdiction of incorporation or formation of any Credit Party or allow any Credit Party to designate any jurisdiction as an additional jurisdiction of incorporation for such Credit Party, or change the type of entity that it is, or (iii) change its chief executive office, principal place of business, or the location of its records concerning the Collateral or move any Collateral to or place any Collateral on any location that is not then listed on the Schedules and/or establish any business location at any location that is not then listed on the Schedules.

(e) All Collateral (except Deposit Accounts and Securities Accounts) will at all times be kept by the Credit Parties at the locations set forth on Schedule 9.2 and shall not, without thirty (30) days prior written notice to Agent, be moved therefrom, and in any case shall not be moved outside the continental United States.

(f) Each Borrower shall, and shall cause each Credit Party to, keep accurate and complete records of its Accounts and all payments and collections thereon and shall submit such records to Agent on such periodic bases as Agent may request. In addition, if Accounts of any Borrower in an aggregate face amount in excess of \$50,000 become ineligible because they fall within one of the specified categories of ineligibility set forth in the definition of Eligible Accounts, Borrowers shall notify Agent of such occurrence on the first Business Day following such occurrence and the Borrowing Base shall thereupon be adjusted to reflect such occurrence.

(g) Each Borrower shall, and shall cause each Credit Party to, endeavor in the first instance to make collection of its Accounts for Agent, for the benefit of the Lenders. Agent shall have the right at all times after the occurrence and during the continuance of an Event of Default to notify (i) Account Debtors owing Accounts to any Credit Party, other than Governmental Account Debtors that their Accounts, have been assigned to Agent and to collect such Accounts directly in its own name and to charge collection costs and expenses, including reasonable attorney's fees, to Borrowers, *provided* that if Agent commences any such collection, Agent shall at all times comply, in all material respects, with the applicable requirements of HIPAA, and (ii) Governmental Account Debtors that Credit Parties have waived any and all defenses and counterclaims they may have or could interpose in any such action or procedure brought by Agent to obtain a court order recognizing the collateral assignment or security interest and Lien of Agent in and to any Account or other Collateral and that Agent is seeking or may seek to obtain a court order recognizing the collateral assignment or security interest and Lien of Agent in and to all Accounts and other Collateral payable by Governmental Account Debtors.

(h) Borrowers shall not, and shall not permit any Credit Party to, adjust, settle or compromise the amount or payment of any Account, or release wholly or partly any Account Debtor, or allow any credit or discount thereon (other than adjustments, settlements, compromises, credits and discounts in the Ordinary Course of Business, made while no Default exists and in amounts which are not material with respect to the Account and which, after giving effect thereto, do not cause the Borrowing Base to be less than the Revolving Loan Outstandings) without the prior written consent of Agent. Without limiting the generality of this Agreement or any other provisions of any of the Financing Documents relating to the rights of Agent after the occurrence and during the continuance of an Event of Default, Agent shall have the right at any time after the occurrence and during the continuance of an Event of Default to: (i) exercise the rights of Credit Parties with respect to the obligation of any Account Debtor to make payment or otherwise render performance to Credit Parties and with respect to any property that secures the obligations of any Account Debtor or any other Person obligated on the Collateral, and (ii) adjust, settle or compromise the amount or payment of such Accounts; provided, in either case, if Agent exercises such rights, Agent shall comply at all times and in all material respects with the applicable requirements of HIPAA.

(i) Borrowers shall cause, and shall cause each Credit Party to cause, all equipment and other tangible personal property other than Inventory to be maintained and preserved in the same condition, repair and in working order as when new, ordinary wear and tear excepted, and shall promptly make or cause to be made all repairs, replacements and other improvements in connection therewith that are necessary or desirable to such end.

(j) Each Borrower hereby authorizes Agent (i) to file without the signature of any Credit Party one or more UCC financing statements relating to liens on personal property relating to all or any part of the Collateral, which financing statements may list Agent as the “secured party” and such Credit Party as the “debtor” and which describe and indicate the collateral covered thereby as all or any part of the Collateral under the Financing Documents in such jurisdictions as Agent from time to time determines are appropriate, and to file without the signature of such Credit Party any continuations of or corrective amendments to any such financing statements, and (ii) to provide written notice to Credit Parties’ Account Debtors of Agent’s Lien and security interest in and to the Collateral, in any such case in order for Agent to perfect, preserve or protect the Liens, rights and remedies of Agent with respect to the Collateral. Each Borrower also ratifies its authorization for Agent to have filed in any jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

(k) Borrowers shall furnish to Agent from time to time any statements and schedules further identifying or describing the Collateral and any other information, reports or evidence concerning the Collateral as Agent may reasonably request from time to time.

(l) Borrowers (i) shall, as provided in Section 2.11, direct each Account Debtor to make payments to the appropriate Lockbox Account, and Borrowers hereby authorizes Agent, upon any failure to send such notices and directions within ten (10) calendar days after the Closing Date (or ten calendar days after the Person becomes an Account Debtor), to send any and all similar notices and directions to such Account Debtors, and (ii) subject to the limitations and requirements of Law applicable to TCMC in its capacity as a local healthcare district and political subdivision of the State of California, shall do anything further that Agent may determine is required by Agent to create and perfect Agent’s first priority Lien on any Collateral (subject only to Permitted Liens), enforceable against Borrowers and the other Credit Parties, their successors, purchasers of the Collateral, creditors, and all others asserting rights therein and to effectuate the intentions of the Financing Documents.

(m) EACH BORROWER SHALL, AND SHALL CAUSE EACH CREDIT PARTY TO, MARK (I) ITS BOOKS AND RECORDS PERTAINING TO THE ACCOUNTS (WHETHER SUCH BOOKS AND RECORDS ARE IN DOCUMENTARY OR ELECTRONIC FORM OR OTHERWISE) AND (II) MONTHLY UNAUDITED FINANCIAL STATEMENTS WITH A LEGEND TO EVIDENCE THE PLEDGE, SECURITY INTEREST AND LIENS GRANTED IN FAVOR OF LENDER HEREUNDER IN FORM AND SUBSTANCE SATISFACTORY TO AGENT. SUCH LEGEND SHALL REMAIN ON THE BOOKS AND RECORDS PERTAINING TO THE ACCOUNTS AT ALL TIMES UNTIL THE OBLIGATIONS ARE PAID IN FULL AND FULLY PERFORMED AND THIS AGREEMENT IS TERMINATED. IF ANY CREDIT PARTY RETAINS POSSESSION OF ANY INSTRUMENTS WITH AGENT’S CONSENT, SUCH INSTRUMENTS SHALL BE MARKED WITH THE FOLLOWING LEGEND: “THIS WRITING AND THE OBLIGATIONS EVIDENCED OR SECURED HEREBY ARE SUBJECT TO THE SECURITY INTEREST OF MIDCAP FINANCIAL, LLC, AS AGENT.”

(n) As of the Closing Date, Borrowers shall (i) set forth on Schedule 9.2 (Part A) hereto is a listing of the Borrowers’ largest thirty (30) non-governmental Account Debtors (A) during the fiscal year of TCMC most recently ended and (B) during each of the fiscal quarters previously ended during the current fiscal year. Borrowers shall continue to update and supplement the listing set forth on

Schedule 9.2 (Part A) with such quarterly reports required under Section 4.1. AS OF THE CLOSING DATE, BORROWERS SHALL HAVE DELIVERED NOTICES OF THE PLEDGE OF ACCOUNTS IN FAVOR OF AGENT TO SUCH ACCOUNT DEBTORS LISTED IN SCHEDULE 9.2 (PART A) AS REQUIRED BY SECTION 7.1(B). IF, AFTER THE CLOSING DATE, THERE ARE ANY NEW ACCOUNT DEBTORS DISCLOSED PURSUANT TO SECTION 4.1 WHICH WERE NOT ORIGINALLY LISTED ON SCHEDULE 9.2 (PART A) ON THE CLOSING DATE, THEN BORROWERS SHALL, CONCURRENTLY WITH THEIR DELIVERY OF THE QUARTERLY REPORTS REQUIRED UNDER SUCH SECTION, DELIVER TO SUCH NEW ACCOUNT DEBTORS NOTICES OF THE PLEDGE OF ACCOUNTS IN FAVOR OF AGENT, SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS EXHIBIT E, AND PROMPTLY DELIVER EVIDENCE OF THE SAME TO AGENT, ALL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO AGENT.

ARTICLE 10 - EVENTS OF DEFAULT

Section 10.1 Events of Default. For purposes of the Financing Documents, the occurrence of any of the following conditions and/or events, whether voluntary or involuntary, by operation of law or otherwise, shall constitute an “**Event of Default**”:

(a) (i) any Borrower shall fail to pay when due any principal, interest, premium or fee under any Financing Document or any other Obligation payable under any Financing Document, (ii) there shall occur any default in the performance of or compliance with any of the following sections of this Agreement: Section 2.11, Section 4.2(b), Section 4.4(c), Section 4.6 and Article 5, or (iii) there shall occur any default in the performance of or compliance with Section 4.1 and/or Article 6 of this Agreement and Borrower Representative has received written notice from Agent or Required Lenders of such default;

(b) any Credit Party defaults in the performance of or compliance with any term contained in this Agreement or in any other Financing Document (other than occurrences described in other provisions of this Section 10.1 for which a different grace or cure period is specified or for which no grace or cure period is specified and thereby constitute immediate Events of Default) and such default is not remedied by the Credit Party or waived by Agent within thirty (30) days after the earlier of (i) receipt by Borrower Representative of notice from Agent or Required Lenders of such default, or (ii) actual knowledge of any Borrower or any other Credit Party of such default;

(c) any representation, warranty, certification or statement made by any Credit Party or any other Person in any Financing Document or in any certificate, financial statement or other document delivered pursuant to any Financing Document is incorrect in any respect (or in any material respect if such representation, warranty, certification or statement is not by its terms already qualified as to materiality) when made (or deemed made);

(d) (i) failure of any Credit Party to pay when due or within any applicable grace period any principal, interest or other amount on Debt (other than the Loans), or the occurrence of any breach, default, condition or event with respect to any Debt (other than the Loans), if the effect of such failure or occurrence is to cause or to permit the holder or holders of any such Debt, to cause, Debt or other liabilities having an individual principal amount in excess of \$350,000 or having an aggregate principal amount in excess of \$350,000 to become or be declared due prior to its stated maturity, or (ii) the occurrence of any breach or default under any terms or provisions of any Subordinated Debt Document or under any agreement subordinating the Subordinated Debt to all or any portion of the Obligations or the occurrence of any event requiring the prepayment of any Subordinated Debt;

(e) any Credit Party or any Subsidiary of a Borrower shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar debtor relief Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(f) an involuntary case or other proceeding shall be commenced against any Credit Party or any Subsidiary of a Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar debtor relief Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against any Credit Party or any Subsidiary of a Borrower under applicable federal bankruptcy, insolvency or other similar debtor relief Law in respect of (i) bankruptcy, liquidation, winding-up, dissolution or suspension of general operations, (ii) composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts or obligations, or (iii) possession, foreclosure, seizure or retention, sale or other disposition of, or other proceedings to enforce security over, all or any substantial part of the assets of such Credit Party or Subsidiary;

(g) (i) institution of any steps by any Person to terminate a Pension Plan, if as a result of such termination any Credit Party or any member of the Controlled Group could be required to make a contribution to such Pension Plan, or could incur a liability or obligation to such Pension Plan, in excess of \$100,000, (ii) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA, or (iii) there shall occur any withdrawal or partial withdrawal from a Multiemployer Plan and the withdrawal liability (without unaccrued interest) to Multiemployer Plans as a result of such withdrawal (including any outstanding withdrawal liability that any Credit Party or any member of the Controlled Group have incurred on the date of such withdrawal) exceeds \$100,000;

(h) one or more judgments or orders for the payment of money (not paid or fully covered by insurance maintained in accordance with the requirements of this Agreement and as to which the relevant insurance company has acknowledged coverage) aggregating in excess of \$100,000 shall be rendered against any or all Credit Parties and either (i) enforcement proceedings shall have been commenced by any creditor upon any such judgments or orders, or (ii) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of any such judgments or orders, by reason of a pending appeal, bond or otherwise, shall not be in effect;

(i) any Lien created by any of the Security Documents shall at any time fail to constitute a valid and enforceable Lien on all of the Collateral purported to be encumbered thereby, subject to no prior or equal Lien except Permitted Liens, or any Credit Party shall so assert;

(j) the institution by any Governmental Authority of criminal proceedings against any Credit Party;

(k) a default or event of default occurs under any Guarantee of any portion of the Obligations beyond any applicable grace period;

(l) any Borrower makes any payment on account of any Debt that has been subordinated to any of the Obligations, other than payments specifically permitted by the terms of such subordination;

(m) any Change of Control occurs or any agreement to cause or that may result in any such Change of Control is entered into;

(n) the occurrence of any fact, event or circumstance that could reasonably be expected to result in a Material Adverse Effect if such default shall have continued unremedied for a period of ten (10) days after written notice from Agent;

(o) Agent determines, based on information available to it and in its reasonable judgment, that there is a reasonable likelihood that Borrowers shall fail to comply with one or more financial covenants in Article 6 during the next succeeding financial reporting period;

(p) there shall occur any default or event of default under any Affiliated Financing Document beyond any applicable grace period;

(q) there shall occur any default or event of default under, or any termination or expiration of, the Wellness Mortgage Loan Documents beyond any applicable grace period;

(r) the introduction of, or any change in, any Law governing or affecting the healthcare industry, including, without limitation, any Healthcare Laws, which could reasonably be expected to have a material adverse effect on Borrowers' business, condition (financial or otherwise), prospects or properties; or

(s) there shall occur a material adverse change in the financial condition or business prospects of any Borrower, or if Agent in good faith deems the Lenders insecure as a result of acts or events bearing upon the financial condition of any Borrower or the repayment of the Notes, which default shall have continued unremedied for a period of ten (10) days after written notice from Agent.

All cure periods provided for in this Section 10.1 shall run concurrently with any cure period provided for in any applicable Financing Documents under which the default occurred.

Section 10.2 Acceleration and Suspension or Termination of Revolving Loan Commitment.

Upon the occurrence and during the continuance of an Event of Default, Agent may, and shall if requested by Required Lenders, (a) by notice to Borrower Representative suspend or terminate the Revolving Loan Commitment and the obligations of Agent and the Lenders with respect thereto, in whole or in part (and, if in part, each Lender's Revolving Loan Commitment shall be reduced in accordance with its Pro Rata Share), and/or (b) by notice to Borrower Representative declare all or any portion of the Obligations to be, and the Obligations shall thereupon become, immediately due and payable, with accrued interest thereon, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower and Borrowers will pay the same; *provided, however*, that in the case of any of the Events of Default specified in Section 10.1(e) or 10.1(f), without any notice to any Borrower or any other act by Agent or the Lenders, the Revolving Loan Commitment and the obligations of Agent and the Lenders with respect thereto shall thereupon immediately and automatically terminate and all of the Obligations shall become immediately and automatically due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower and Borrowers will pay the same.

Section 10.3 Remedies.

(a) Upon the occurrence of and during the continuance of an Event of Default under this Agreement or the other Financing Documents, Agent, in addition to all other rights, options, and remedies granted to Agent under this Agreement or at law or in equity, may exercise, either directly or through one or more assignees or designees, all rights and remedies granted to it under all Financing Documents and under the UCC in effect in the applicable jurisdiction(s) and under any other applicable Law (including applicable provisions of California's Civil Code, Code of Civil Procedure, Government Code and Health and Safety Code) or in equity; including, without limitation:

(i) the right to take possession of, send notices regarding, and collect directly the Collateral, with or without judicial process;

(ii) the right to (by its own means or with judicial assistance) enter any of Borrowers' premises and take possession of the Collateral, or render it unusable, or to render it usable or saleable, or dispose of the Collateral on such premises in compliance with subsection (iii) below and to take possession of Borrowers' original books and records, to obtain access to Borrowers' data processing equipment, computer hardware and software relating to the Collateral and to use all of the foregoing and the information contained therein in any manner Agent deems appropriate, without any liability for rent, storage, utilities, or other sums, and Borrowers shall not resist or interfere with such action (if Borrowers' books and records are prepared or maintained by an accounting service, contractor or other third party agent, Borrowers hereby irrevocably authorize such service, contractor or other agent, upon notice by Agent to such Person that an Event of Default has occurred and is continuing, to deliver to Agent or its designees such books and records, and to follow Agent's instructions with respect to further services to be rendered);

(iii) the right to require Borrowers at Borrowers' expense to assemble all or any part of the Collateral and make it available to Agent at any place designated by Lender;

(iv) the right to notify postal authorities to change the address for delivery of Borrowers' mail to an address designated by Agent and to receive, open and dispose of all mail addressed to any Borrower; and/or

(v) the right to enforce Borrowers' rights against Account Debtors and other obligors, including, without limitation, (i) the right to collect Accounts directly in Agent's own name (as agent for Lenders) and to charge the collection costs and expenses, including attorneys' fees, to Borrowers, and (ii) the right, in the name of Agent or any designee of Agent or Borrowers, to verify the validity, amount or any other matter relating to any Accounts by mail, telephone, telegraph or otherwise, including, without limitation, verification of Borrowers' compliance with applicable Laws. Borrowers shall cooperate fully with Agent in an effort to facilitate and promptly conclude such verification process. Such verification may include contacts between Agent and applicable federal, state and local regulatory authorities having jurisdiction over the Borrowers' affairs, all of which contacts Borrowers hereby irrevocably authorize.

Notwithstanding the foregoing, Borrowers do not hereby grant any rights, or agree that this Agreement provides any rights, to Agent or any Lender to the extent such rights would constitute an unconstitutional delegation of authority by any Borrower under the California Constitution or the United States Constitution.

(b) Each Borrower agrees that a notice received by it at least ten (10) days before the time of any intended public sale, or the time after which any private sale or other disposition of the Collateral is to be made, shall be deemed to be reasonable notice of such sale or other disposition. If permitted by applicable Law, any perishable Collateral which threatens to speedily decline in value or which is sold on a recognized market may be sold immediately by Agent without prior notice to Borrowers. At any sale or disposition of Collateral, Agent may (to the extent permitted by applicable Law) purchase all or any part of the Collateral, free from any right of redemption by Borrowers, which right is hereby waived and released. Each Borrower covenants and agrees not to interfere with or impose any obstacle to Agent's exercise of its rights and remedies with respect to the Collateral. Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. Agent may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. Agent may sell the Collateral without giving any warranties as to the Collateral. Agent may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. If Agent sells any of the Collateral upon credit, Borrowers will be credited only with payments actually made by the purchaser, received by Agent and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Agent may resell the Collateral and Borrowers shall be credited with the proceeds of the sale. Borrowers shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all Obligations.

(c) Without restricting the generality of the foregoing and for the purposes aforesaid, and subject to Agent's obligation to comply with HIPAA and all other applicable Laws, each Borrower hereby appoints and constitutes Agent its lawful attorney-in-fact with full power of substitution in the Collateral, upon the occurrence and during the continuance of an Event of Default, to (i) use unadvanced funds remaining under this Agreement or which may be reserved, escrowed or set aside for any purposes hereunder at any time, or to advance funds in excess of the face amount of the Notes, (ii) pay, settle or compromise all existing bills and claims, which may be Liens or security interests, or to avoid such bills and claims becoming Liens against the Collateral, (iii) execute all applications and certificates in the name of such Borrower and to prosecute and defend all actions or proceedings in connection with the Collateral, and (iv) do any and every act which such Borrower might do in its own behalf; it being understood and agreed that this power of attorney in this subsection (c) shall be a power coupled with an interest and cannot be revoked.

(d) Agent and each Lender is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrowers' labels, mark works, rights of use of any name, any other intellectual property and advertising matter, and any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Agent's exercise of its rights under this Article, Borrowers' rights under all licenses (whether as licensor or licensee) and all franchise agreements inure to Agent's and each Lender's benefit.

Section 10.4 [Reserved]

Section 10.5 Default Rate of Interest. At the election of Agent or Required Lenders, after the occurrence of an Event of Default and for so long as it continues, the Loans and other Obligations shall bear interest at rates that are five percent (5.0%) per annum in excess of the rates otherwise payable under this Agreement; *provided, however*, that in the case of any Event of Default specified in Section 10.1(e) or 10.1(f), such default rates shall apply immediately and automatically without the need for any election or action of any kind on the part of Agent or any Lender.

Section 10.6 Setoff Rights. During the continuance of any Event of Default, each Lender is hereby authorized by each Borrower at any time or from time to time, with reasonably prompt subsequent notice to such Borrower (any prior or contemporaneous notice being hereby expressly waived) to set off and to appropriate and to apply any and all (a) balances held by such Lender or any of such Lender's Affiliates at any of its offices for the account of such Borrower or any of its Subsidiaries (regardless of whether such balances are then due to such Borrower or its Subsidiaries), and (b) other property at any time held or owing by such Lender to or for the credit or for the account of such Borrower or any of its Subsidiaries, against and on account of any of the Obligations; except that no Lender shall exercise any such right without the prior written consent of Agent. Any Lender exercising a right to set off shall purchase for cash (and the other Lenders shall sell) interests in each of such other Lender's Pro Rata Share of the Obligations as would be necessary to cause all Lenders to share the amount so set off with each other Lender in accordance with their respective Pro Rata Share of the Obligations. Each Borrower agrees, to the fullest extent permitted by Law, that any Lender and any of such Lender's Affiliates may exercise its right to set off with respect to the Obligations as provided in this Section 10.6.

Section 10.7 Application of Proceeds.

(a) Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, each Borrower irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Agent from or on behalf of such Borrower or any Guarantor of all or any part of the Obligations, and, as between Borrowers on the one hand and Agent and Lenders on the other, Agent shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations in such manner as Agent may deem advisable notwithstanding any previous application by Agent.

(b) Following the occurrence and continuance of an Event of Default, but absent the occurrence and continuance of an Acceleration Event, Agent shall apply any and all payments received by Agent in respect of the Obligations, and any and all proceeds of Collateral received by Agent, in such order as Agent may from time to time elect.

(c) Notwithstanding anything to the contrary contained in this Agreement, if an Acceleration Event shall have occurred, and so long as it continues, Agent shall apply any and all payments received by Agent in respect of the Obligations, and any and all proceeds of Collateral received by Agent, in the following order: first, to all fees, costs, indemnities, liabilities, obligations and expenses incurred by or owing to Agent with respect to this Agreement, the other Financing Documents or the Collateral; second, to all fees, costs, indemnities, liabilities, obligations and expenses incurred by or owing to any Lender with respect to this Agreement, the other Financing Documents or the Collateral; third, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of the Bankruptcy Code, would have accrued on such amounts); fourth, to the principal amount of the Obligations outstanding; and fifth to any other indebtedness or obligations of Borrowers owing to Agent or any Lender under the Financing Documents. Any balance remaining shall be delivered to Borrowers or to whomever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out the foregoing, (y) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category, and (z) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its Pro Rata Share of amounts available to be applied pursuant thereto for such category.

Section 10.8 Waivers.

(a) Except as otherwise provided for in this Agreement and to the fullest extent permitted by applicable Law, each Borrower waives: (i) presentment, demand and protest, and notice of presentment, dishonor, intent to accelerate, acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all Financing Documents, the Notes or any other notes, commercial paper, accounts, contracts, documents, Instruments, Chattel Paper and Guarantees at any time held by Lenders on which any Borrower may in any way be liable, and hereby ratifies and confirms whatever Lenders may do in this regard; (ii) all rights to notice and a hearing prior to Agent's or any Lender's taking possession or control of, or to Agent's or any Lender's replevy, attachment or levy upon, any Collateral or any bond or security which might be required by any court prior to allowing Agent or any Lender to exercise any of its remedies; and (iii) the benefit of all valuation, appraisal and exemption Laws. Each Borrower acknowledges that it has been advised by counsel of its choices and decisions with respect to this Agreement, the other Financing Documents and the transactions evidenced hereby and thereby.

(b) Each Borrower for itself and all its successors and assigns, (i) agrees that its liability shall not be in any manner affected by any indulgence, extension of time, renewal, waiver, or modification granted or consented to by Lender; (ii) consents to any indulgences and all extensions of time, renewals, waivers, or modifications that may be granted by Agent or any Lender with respect to the payment or other provisions of the Financing Documents, and to any substitution, exchange or release of the Collateral, or any part thereof, with or without substitution, and agrees to the addition or release of any Borrower, endorsers, guarantors, or sureties, or whether primarily or secondarily liable, without notice to any other Borrower and without affecting its liability hereunder; (iii) agrees that its liability shall be unconditional and without regard to the liability of any other Borrower, Agent or any Lender for any tax on the indebtedness; and (iv) to the fullest extent permitted by Law, expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing.

(c) To the extent that Agent or any Lender may have acquiesced in any noncompliance with any requirements or conditions precedent to the closing of the Loans or to any subsequent disbursement of Loan proceeds, such acquiescence shall not be deemed to constitute a waiver by Agent or any Lender of such requirements with respect to any future disbursements of Loan proceeds and Agent may at any time after such acquiescence require Borrowers to comply with all such requirements. Any forbearance by Agent or any Lender in exercising any right or remedy under any of the Financing Documents, or otherwise afforded by applicable Law, including any failure to accelerate the maturity date of the Loans, shall not be a waiver of or preclude the exercise of any right or remedy nor shall it serve as a novation of the Notes or as a reinstatement of the Loans or a waiver of such right of acceleration or the right to insist upon strict compliance of the terms of the Financing Documents. Agent's or any Lender's acceptance of payment of any sum secured by any of the Financing Documents after the due date of such payment shall not be a waiver of Agent's and such Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other Liens or charges by Agent as the result of an Event of Default shall not be a waiver of Agent's right to accelerate the maturity of the Loans, nor shall Agent's receipt of any condemnation awards, insurance proceeds, or damages under this Agreement operate to cure or waive any Credit Party's default in payment of sums secured by any of the Financing Documents.

(d) Without limiting the generality of anything contained in this Agreement or the other Financing Documents, each Borrower agrees that if an Event of Default is continuing (i) Agent and Lenders shall not be subject to any "one action" or "election of remedies" Law, and (ii) all Liens and

other rights, remedies or privileges provided to Agent or Lenders shall remain in full force and effect until Agent or Lenders have exhausted all remedies against the Collateral and any other properties owned by Borrowers and the Financing Documents and other security instruments or agreements securing the Loans have been foreclosed, sold and/or otherwise realized upon in satisfaction of Borrowers' obligations under the Financing Documents.

(e) Nothing contained herein or in any other Financing Document shall be construed as requiring Agent or any Lender to resort to any part of the Collateral for the satisfaction of any of Borrowers' obligations under the Financing Documents in preference or priority to any other Collateral, and Agent may seek satisfaction out of all of the Collateral or any part thereof, in its absolute discretion in respect of Borrowers' obligations under the Financing Documents. In addition, Agent shall have the right from time to time to partially foreclose upon any Collateral in any manner and for any amounts secured by the Financing Documents then due and payable as determined by Agent in its sole discretion, including, without limitation, the following circumstances: (i) in the event any Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of principal and/or interest, Agent may foreclose upon all or any part of the Collateral to recover such delinquent payments, or (ii) in the event Agent elects to accelerate less than the entire outstanding principal balance of the Loans, Agent may foreclose all or any part of the Collateral to recover so much of the principal balance of the Loans as Lender may accelerate and such other sums secured by one or more of the Financing Documents as Agent may elect. Notwithstanding one or more partial foreclosures, any unforeclosed Collateral shall remain subject to the Financing Documents to secure payment of sums secured by the Financing Documents and not previously recovered.

(f) To the fullest extent permitted by Law, each Borrower, for itself and its successors and assigns, waives in the event of foreclosure of any or all of the Collateral any equitable right otherwise available to any Credit Party which would require the separate sale of any of the Collateral or require Agent or Lenders to exhaust their remedies against any part of the Collateral before proceeding against any other part of the Collateral; and further in the event of such foreclosure each Borrower does hereby expressly consent to and authorize, at the option of Agent, the foreclosure and sale either separately or together of each part of the Collateral.

Section 10.9 Injunctive Relief. The parties acknowledge and agree that, in the event of a breach or threatened breach of any Credit Party's obligations under any Financing Documents, Agent and Lenders may have no adequate remedy in money damages and, accordingly, shall be entitled to an injunction (including, without limitation, a temporary restraining order, preliminary injunction, writ of attachment, or order compelling an audit) against such breach or threatened breach, including, without limitation, maintaining any cash management and collection procedure described herein. However, no specification in this Agreement of a specific legal or equitable remedy shall be construed as a waiver or prohibition against any other legal or equitable remedies in the event of a breach or threatened breach of any provision of this Agreement. Each Credit Party waives, to the fullest extent permitted by Law, the requirement of the posting of any bond in connection with such injunctive relief. By joining in the Financing Documents as a Credit Party, each Credit Party specifically joins in this Section as if this Section were a part of each Financing Document executed by such Credit Party.

Section 10.10 Marshalling; Payments Set Aside. Neither Agent nor any Lender shall be under any obligation to marshal any assets in payment of any or all of the Obligations. To the extent that Borrower makes any payment or Agent enforces its Liens or Agent or any Lender exercises its right of set-off, and such payment or the proceeds of such enforcement or set-off is subsequently invalidated, declared to be fraudulent or preferential, set aside, or required to be repaid by anyone, then to the extent of such recovery, the Obligations or part thereof originally intended to be satisfied, and all Liens, rights

and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or set-off had not occurred.

ARTICLE 11 - AGENT

Section 11.1 Appointment and Authorization. Each Lender hereby irrevocably appoints and authorizes Agent to enter into each of the Financing Documents to which it is a party (other than this Agreement) on its behalf and to take such actions as Agent on its behalf and to exercise such powers under the Financing Documents as are delegated to Agent by the terms thereof, together with all such powers as are reasonably incidental thereto. Subject to the terms of Section 11.16 and to the terms of the other Financing Documents, Agent is authorized and empowered to amend, modify, or waive any provisions of this Agreement or the other Financing Documents on behalf of Lenders. The provisions of this Article 11 are solely for the benefit of Agent and Lenders and neither any Borrower nor any other Credit Party shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, Agent shall act solely as agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Borrower or any other Credit Party. Agent may perform any of its duties hereunder, or under the Financing Documents, by or through its agents or employees.

Section 11.2 Agent and Affiliates. Agent shall have the same rights and powers under the Financing Documents as any other Lender and may exercise or refrain from exercising the same as though it were not Agent, and Agent and its Affiliates may lend money to, invest in and generally engage in any kind of business with each Credit Party or Affiliate of any Credit Party as if it were not Agent hereunder.

Section 11.3 Action by Agent. The duties of Agent shall be mechanical and administrative in nature. Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender. Nothing in this Agreement or any of the Financing Documents is intended to or shall be construed to impose upon Agent any obligations in respect of this Agreement or any of the Financing Documents except as expressly set forth herein or therein.

Section 11.4 Consultation with Experts. Agent may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

Section 11.5 Liability of Agent. Neither Agent nor any of its directors, officers, agents or employees shall be liable to any Lender for any action taken or not taken by it in connection with the Financing Documents, except that Agent shall be liable with respect to its specific duties set forth hereunder but only to the extent of its own gross negligence or willful misconduct in the discharge thereof as determined by a final non-appealable judgment of a court of competent jurisdiction. Neither Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (a) any statement, warranty or representation made in connection with any Financing Document or any borrowing hereunder; (b) the performance or observance of any of the covenants or agreements specified in any Financing Document; (c) the satisfaction of any condition specified in any Financing Document; (d) the validity, effectiveness, sufficiency or genuineness of any Financing Document, any Lien purported to be created or enforceable thereby or any other instrument or writing furnished in connection therewith; (e) the existence or non-existence of any Default or Event of Default; or (f) the financial condition of any Credit Party. Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, facsimile or electronic transmission or similar writing) believed by it to be genuine or to be signed by the proper party or parties. Agent shall not be liable for any apportionment or distribution of payments made

by it in good faith and if any such apportionment or distribution is subsequently determined to have been made in error the sole recourse of any Lender to whom payment was due but not made, shall be to recover from other Lenders any payment in excess of the amount to which they are determined to be entitled (and such other Lenders hereby agree to return to such Lender any such erroneous payments received by them).

Section 11.6 Indemnification. Each Lender shall, in accordance with its Pro Rata Share, indemnify Agent (to the extent not reimbursed by Borrowers) upon demand against any cost, expense (including counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction) that Agent may suffer or incur in connection with the Financing Documents or any action taken or omitted by Agent hereunder or thereunder. If any indemnity furnished to Agent for any purpose shall, in the opinion of Agent, be insufficient or become impaired, Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against even if so directed by Required Lenders until such additional indemnity is furnished.

Section 11.7 Right to Request and Act on Instructions. Agent may at any time request instructions from Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the Financing Documents Agent is permitted or desires to take or to grant, and if such instructions are promptly requested, Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Financing Documents until it shall have received such instructions from Required Lenders or all or such other portion of the Lenders as shall be prescribed by this Agreement. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting under this Agreement or any of the other Financing Documents in accordance with the instructions of Required Lenders (or all or such other portion of the Lenders as shall be prescribed by this Agreement) and, notwithstanding the instructions of Required Lenders (or such other applicable portion of the Lenders), Agent shall have no obligation to take any action if it believes, in good faith, that such action would violate applicable Law or exposes Agent to any liability for which it has not received satisfactory indemnification in accordance with the provisions of Section 11.6.

Section 11.8 Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under the Financing Documents.

Section 11.9 Collateral Matters. Lenders irrevocably authorize Agent, at its option and in its discretion, to (a) release any Lien granted to or held by Agent under any Security Document (i) upon termination of the Loan Commitment and payment in full of all Obligations; or (ii) constituting property sold or disposed of as part of or in connection with any disposition permitted under any Financing Document (it being understood and agreed that Agent may conclusively rely without further inquiry on a certificate of a Responsible Officer as to the sale or other disposition of property being made in full compliance with the provisions of the Financing Documents); and (b) release or subordinate any Lien granted to or held by Agent under any Security Document constituting personal property described herein (it being understood and agreed that Agent may conclusively rely without further inquiry on a certificate of a Responsible Officer as to the identification of any personal property described herein). Upon request by Agent at any time, Lenders will confirm Agent's authority to release and/or subordinate particular types or items of Collateral pursuant to this Section 11.9.

Section 11.10 Agency for Perfection. Agent and each Lender hereby appoint each other Lender as agent for the purpose of perfecting Agent's security interest in assets which, in accordance with the Uniform Commercial Code in any applicable jurisdiction, can be perfected by possession or control.

Section 11.11 Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default except with respect to defaults in the payment of principal, interest and fees required to be paid to Agent for the account of Lenders, unless Agent shall have received written notice from a Lender or a Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". Agent will notify each Lender of its receipt of any such notice. Agent shall take such action with respect to such Default or Event of Default as may be requested by Required Lenders (or all or such other portion of the Lenders as shall be prescribed by this Agreement) in accordance with the terms hereof. Unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interests of Lenders.

Section 11.12 Assignment by Agent; Resignation of Agent; Successor Agent.

(a) Agent may at any time assign its rights, powers, privileges and duties hereunder to (i) another Lender, or (ii) any Person to whom Agent, in its capacity as a Lender, has assigned (or will assign, in conjunction with such assignment of agency rights hereunder) 50% or more of its Loan, in each case without the consent of the Lenders or Borrowers. Following any such assignment, Agent shall give notice to the Lenders and Borrowers. An assignment by Agent pursuant to this subsection (a) shall not be deemed a resignation by Agent for purposes of subsection (b) below.

(b) Without limiting the rights of Agent to designate an assignee pursuant to subsection (a) above, Agent may at any time give notice of its resignation to the Lenders and Borrowers. Upon receipt of any such notice of resignation, Required Lenders shall have the right to appoint a successor Agent. If no such successor shall have been so appointed by Required Lenders and shall have accepted such appointment within ten (10) Business Days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent; *provided, however,* that if Agent shall notify Borrowers and the Lenders that no Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice from Agent that no Person has accepted such appointment and, from and following delivery of such notice, (i) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Financing Documents, and (ii) all payments, communications and determinations provided to be made by, to or through Agent shall instead be made by or to each Lender directly, until such time as Required Lenders appoint a successor Agent as provided for above in this paragraph.

(c) Upon (i) an assignment permitted by subsection (a) above, or (ii) the acceptance of a successor's appointment as Agent pursuant to subsection (b) above, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder and under the other Financing Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrowers and such successor. After the retiring Agent's resignation hereunder and under the other Financing Documents, the provisions of this Article and Section 11.12 shall continue in effect for the benefit of such retiring Agent and its sub-agents in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting or was continuing to act as Agent.

Section 11.13 Payment and Sharing of Payment.

(a) Revolving Loan Advances, Payments and Settlements; Interest and Fee Payments.

(i) Agent shall have the right, on behalf of Revolving Lenders to disburse funds to Borrowers for all Revolving Loans requested or deemed requested by Borrowers pursuant to the terms of this Agreement. Agent shall be conclusively entitled to assume, for purposes of the preceding sentence, that each Revolving Lender, other than any Non-Funding Revolving Lenders, will fund its Pro Rata Share of all Revolving Loans requested by Borrowers. Each Revolving Lender shall reimburse Agent on demand, in accordance with the provisions of the immediately following paragraph, for all funds disbursed on its behalf by Agent pursuant to the first sentence of this clause (i), or if Agent so requests, each Revolving Lender will remit to Agent its Pro Rata Share of any Revolving Loan before Agent disburses the same to a Borrower. If Agent elects to require that each Revolving Lender make funds available to Agent, prior to a disbursement by Agent to a Borrower, Agent shall advise each Revolving Lender by telephone, facsimile or e-mail of the amount of such Revolving Lender's Pro Rata Share of the Revolving Loan requested by such Borrower no later than 12:00 Noon (Eastern time) on the date of funding of such Revolving Loan, and each such Revolving Lender shall pay Agent on such date such Revolving Lender's Pro Rata Share of such requested Revolving Loan, in same day funds, by wire transfer to the Payment Account, or such other account as may be identified by Agent to Revolving Lenders from time to time. If any Lender fails to pay the amount of its Pro Rata Share of any funds advanced by Agent pursuant to the first sentence of this clause (i) within one (1) Business Day after Agent's demand, Agent shall promptly notify Borrower Representative, and Borrowers shall immediately repay such amount to Agent. Any repayment required by Borrowers pursuant to this Section 11.13 shall be accompanied by accrued interest thereon from and including the date such amount is made available to a Borrower to but excluding the date of payment at the rate of interest then applicable to Revolving Loans. Nothing in this Section 11.13 or elsewhere in this Agreement or the other Financing Documents shall be deemed to require Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that Agent or any Borrower may have against any Lender as a result of any default by such Lender hereunder.

(ii) On a Business Day of each week as selected from time to time by Agent, or more frequently (including daily), if Agent so elects (each such day being a "**Settlement Date**"), Agent will advise each Revolving Lender by telephone, facsimile or e-mail of the amount of each such Revolving Lender's percentage interest of the Revolving Loan balance as of the close of business of the Business Day immediately preceding the Settlement Date. In the event that payments are necessary to adjust the amount of such Revolving Lender's actual percentage interest of the Revolving Loans to such Lender's required percentage interest of the Revolving Loan balance as of any Settlement Date, the Revolving Lender from which such payment is due shall pay Agent, without setoff or discount, to the Payment Account before [3:00 p.m.] (Eastern time) on the Business Day following the Settlement Date the full amount necessary to make such adjustment. Any obligation arising pursuant to the immediately preceding sentence shall be absolute and unconditional and shall not be affected by any circumstance whatsoever. In the event settlement shall not have occurred by the date and time specified in the second preceding sentence, interest shall accrue on the unsettled amount at the rate of interest then applicable to Revolving Loans.

(iii) On each Settlement Date, Agent shall advise each Revolving Lender by telephone, facsimile or e-mail of the amount of such Revolving Lender's percentage interest of

principal, interest and fees paid for the benefit of Revolving Lenders with respect to each applicable Revolving Loan, to the extent of such Revolving Lender's Revolving Loan Exposure with respect thereto, and shall make payment to such Revolving Lender before [3:00 p.m.] (Eastern time) on the Business Day following the Settlement Date of such amounts in accordance with wire instructions delivered by such Revolving Lender to Agent, as the same may be modified from time to time by written notice to Agent; *provided, however*, that, in the case such Revolving Lender is a Defaulted Lender, Agent shall be entitled to set off the funding short-fall against that Defaulted Lender's respective share of all payments received from any Borrower.

(iv) On the Closing Date, Agent, on behalf of Lenders, may elect to advance to Borrowers the full amount of the initial Loans to be made on the Closing Date prior to receiving funds from Lenders, in reliance upon each Lender's commitment to make its Pro Rata Share of such Loans to Borrowers in a timely manner on such date. If Agent elects to advance the initial Loans to Borrower in such manner, Agent shall be entitled to receive all interest that accrues on the Closing Date on each Lender's Pro Rata Share of such Loans unless Agent receives such Lender's Pro Rata Share of such Loans before 3:00 p.m. (Eastern time) on the Closing Date.

(v) It is understood that for purposes of advances to Borrowers made pursuant to this Section 11.13, Agent will be using the funds of Agent, and pending settlement, (A) all funds transferred from the Payment Account to the outstanding Revolving Loans shall be applied first to advances made by Agent to Borrowers pursuant to this Section 11.13, and (B) all interest accruing on such advances shall be payable to Agent.

(vi) The provisions of this Section 11.13(a) shall be deemed to be binding upon Agent and Lenders notwithstanding the occurrence of any Default or Event of Default, or any insolvency or bankruptcy proceeding pertaining to any Borrower or any other Credit Party.

(b) [Reserved]

(c) Return of Payments.

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from a Borrower and such related payment is not received by Agent, then Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind, together with interest accruing on a daily basis at the Federal Funds Rate.

(ii) If Agent determines at any time that any amount received by Agent under this Agreement must be returned to any Borrower or paid to any other Person pursuant to any bankruptcy, insolvency or other similar debtor relief Law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Financing Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to any Borrower or such other Person, without setoff, counterclaim or deduction of any kind.

(d) Defaulted Lenders. The failure of any Defaulted Lender to make any payment required by it hereunder shall not relieve any other Lender of its obligations to make payment, but neither any other Lender nor Agent shall be responsible for the failure of any Defaulted Lender to make any payment required hereunder. Notwithstanding anything set forth herein to the contrary, a Defaulted

Lender shall not have any voting or consent rights under or with respect to any Financing Document or constitute a “Lender” (or be included in the calculation of “Required Lenders” hereunder) for any voting or consent rights under or with respect to any Financing Document.

(e) Sharing of Payments. If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of any Loan (other than pursuant to the terms of Section 2.8(d)) in excess of its Pro Rata Share of payments entitled pursuant to the other provisions of this Section 11.13, such Lender shall purchase from the other Lenders such participations in extensions of credit made by such other Lenders (without recourse, representation or warranty) as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably with each of them; *provided, however*, that if all or any portion of the excess payment or other recovery is thereafter required to be returned or otherwise recovered from such purchasing Lender, such portion of such purchase shall be rescinded and each Lender which has sold a participation to the purchasing Lender shall repay to the purchasing Lender the purchase price to the ratable extent of such return or recovery, without interest. Each Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this clause (e) may, to the fullest extent permitted by law, exercise all its rights of payment (including pursuant to Section 10.6) with respect to such participation as fully as if such Lender were the direct creditor of Borrowers in the amount of such participation). If under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this clause (e) applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this clause (e) to share in the benefits of any recovery on such secured claim.

Section 11.14 Right to Perform, Preserve and Protect. If any Credit Party fails to perform any obligation hereunder or under any other Financing Document, Agent itself may, but shall not be obligated to, cause such obligation to be performed at Borrowers’ expense. Agent is further authorized by Borrowers and the Lenders to make expenditures from time to time which Agent, in its reasonable business judgment, deems necessary or desirable to (a) preserve or protect the business conducted by Borrowers, the Collateral, or any portion thereof, and/or (b) enhance the likelihood of, or maximize the amount of, repayment of the Loan and other Obligations. Each Borrower hereby agrees to reimburse Agent on demand for any and all costs, liabilities and obligations incurred by Agent pursuant to this Section 11.14. Each Lender hereby agrees to indemnify Agent upon demand for any and all costs, liabilities and obligations incurred by Agent pursuant to this Section 11.14, in accordance with the provisions of Section 11.6.

Section 11.15 [Reserved]

Section 11.16 Amendments and Waivers.

(a) No provision of this Agreement or any other Financing Document may be amended, waived or otherwise modified unless such amendment, waiver or other modification is in writing and is signed or otherwise approved by Borrowers, the Required Lenders and any other Lender to the extent required under Section 11.16(b); *provided, however*, that the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

(b) In addition to the required signatures under Section 11.16(a), no provision of this Agreement or any other Financing Document may be amended, waived or otherwise modified unless such amendment, waiver or other modification is in writing and is signed or otherwise approved by the following Persons:

(i) if any amendment, waiver or other modification would increase a Lender's funding obligations in respect of any Loan, by such Lender; and/or

(ii) if the rights or duties of Agent are affected thereby, by Agent;

provided, however, that, in each of (i) and (ii) above, no such amendment, waiver or other modification shall, unless signed or otherwise approved in writing by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Loan; (B) postpone the date fixed for, or waive, any payment (other than any mandatory prepayment pursuant to Section 2.1(b)(ii)) of principal of any Loan, or of interest on any Loan (other than default interest) or any fees provided for hereunder (other than late charges) or postpone the date of termination of any commitment of any Lender hereunder; (C) change the definition of the term Required Lenders or the percentage of Lenders which shall be required for Lenders to take any action hereunder; (D) release all or substantially all of the Collateral, authorize any Borrower to sell or otherwise dispose of all or substantially all of the Collateral or release any Guarantor of all or any portion of the Obligations or its Guarantee obligations with respect thereto, except, in each case with respect to this clause (D), as otherwise may be provided in this Agreement or the other Financing Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 11.16(b) or the definitions of the terms used in this Section 11.16(b) insofar as the definitions affect the substance of this Section 11.16(b); (F) consent to the assignment, delegation or other transfer by any Credit Party of any of its rights and obligations under any Financing Document or release any Borrower of its payment obligations under any Financing Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; or (G) amend any of the provisions of Section 10.7 or amend any of the definitions Pro Rata Share, Revolving Loan Commitment, Revolving Loan Commitment Amount, Revolving Loan Commitment Percentage, or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F) and (G) of the preceding sentence.

Section 11.17 Assignments and Participations.

(a) Assignments.

(i) Any Lender may at any time assign to one or more Eligible Assignees all or any portion of such Lender's Loan together with all related obligations of such Lender hereunder. Except as Agent may otherwise agree, the amount of any such assignment (determined as of the date of the applicable Assignment Agreement or, if a "Trade Date" is specified in such Assignment Agreement, as of such Trade Date) shall be in a minimum aggregate amount equal to \$1,000,000 or, if less, the assignor's entire interests in the outstanding Loan; *provided, however*, that, in connection with simultaneous assignments to two or more related Approved Funds, such Approved Funds shall be treated as one assignee for purposes of determining compliance with the minimum assignment size referred to above. Borrowers and Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned to an Eligible Assignee until Agent shall have received and accepted an effective Assignment Agreement executed, delivered and fully completed by the applicable parties thereto and a processing fee of \$3,500 to be paid by the assigning Lender; *provided, however*, that only one processing fee shall be payable in connection with simultaneous assignments to two or more related Approved Funds.

(ii) From and after the date on which the conditions described above have been met, (A) such Eligible Assignee shall be deemed automatically to have become a party hereto and, to the extent of the interests assigned to such Eligible Assignee pursuant to such Assignment Agreement, shall have the rights and obligations of a Lender hereunder, and (B) the assigning Lender, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment Agreement, shall be released from its rights and obligations hereunder (other than those that survive termination pursuant to Section 12.1). Upon the request of the Eligible Assignee (and, as applicable, the assigning Lender) pursuant to an effective Assignment Agreement, each Borrower shall execute and deliver to Agent for delivery to the Eligible Assignee (and, as applicable, the assigning Lender) Notes in the aggregate principal amount of the Eligible Assignee's Loan (and, as applicable, Notes in the principal amount of that portion of the principal amount of the Loan retained by the assigning Lender). Upon receipt by the assigning Lender of such Note, the assigning Lender shall return to Borrower Representative any prior Note held by it.

(iii) Agent, acting solely for this purpose as an agent of Borrower, shall maintain at its offices located in Bethesda, Maryland a copy of each Assignment Agreement delivered to it and a register for the recordation of the names and addresses of each Lender, and the commitments of, and principal amount of the Loan owing to, such Lender pursuant to the terms hereof. The entries in such register shall be conclusive, and Borrower, Agent and Lenders may treat each Person whose name is recorded therein pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Such register shall be available for inspection by Borrower and any Lender, at any reasonable time upon reasonable prior notice to Agent.

(iv) Notwithstanding the foregoing provisions of this Section 11.17(a) or any other provision of this Agreement, any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided, however*, that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(v) Notwithstanding the foregoing provisions of this Section 11.17(a) or any other provision of this Agreement, Agent has the right, but not the obligation, to effectuate assignments of Loan via an electronic settlement system acceptable to Agent as designated in writing from time to time to the Lenders by Agent (the "**Settlement Service**"). At any time when the Agent elects, in its sole discretion, to implement such Settlement Service, each such assignment shall be effected by the assigning Lender and proposed assignee pursuant to the procedures then in effect under the Settlement Service, which procedures shall be consistent with the other provisions of this Section 11.17(a). Each assigning Lender and proposed Eligible Assignee shall comply with the requirements of the Settlement Service in connection with effecting any assignment of Loan pursuant to the Settlement Service. With the prior written approval of Agent, Agent's approval of such Eligible Assignee shall be deemed to have been automatically granted with respect to any transfer effected through the Settlement Service. Assignments and assumptions of the Loan shall be effected by the provisions otherwise set forth herein until Agent notifies Lenders of the Settlement Service as set forth herein.

(b) Participations. Any Lender may at any time, without the consent of, or notice to, any Borrower or Agent, sell to one or more Persons participating interests in its Loan, commitments or other interests hereunder (any such Person, a "**Participant**"). In the event of a sale by a Lender of a

participating interest to a Participant, (i) such Lender's obligations hereunder shall remain unchanged for all purposes, (ii) Borrowers and Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder, and (iii) all amounts payable by each Borrower shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender. Each Borrower agrees that if amounts outstanding under this Agreement are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; *provided, however*, that such right of set-off shall be subject to the obligation of each Participant to share with Lenders, and Lenders agree to share with each Participant, as provided in Section 11.5.

(c) Replacement of Lenders. Within thirty (30) days after: (i) receipt by Agent of notice and demand from any Lender for payment of additional costs as provided in Section 2.8(d), which demand shall not have been revoked, (ii) any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.8(a), (iii) any Lender is a Defaulted Lender, and the circumstances causing such status shall not have been cured or waived; or (iv) any failure by any Lender to consent to a requested amendment, waiver or modification to any Financing Document in which Required Lenders have already consented to such amendment, waiver or modification but the consent of each Lender, or each Lender affected thereby, is required with respect thereto (each relevant Lender in the foregoing clauses (i) through (iv) being an "**Affected Lender**") each of Borrower Representative and Agent may, at its option, notify such Affected Lender and, in the case of Borrowers' election, the Agent, of such Person's intention to obtain, at Borrowers' expense, a replacement Lender ("**Replacement Lender**") for such Lender, which Replacement Lender shall be an Eligible Assignee and, in the event the Replacement Lender is to replace an Affected Lender described in the preceding clause (iv), such Replacement Lender consents to the requested amendment, waiver or modification making the replaced Lender an Affected Lender. In the event Borrowers or Agent, as applicable, obtains a Replacement Lender within ninety (90) days following notice of its intention to do so, the Affected Lender shall sell, at par, and assign all of its Loan and funding commitments hereunder to such Replacement Lender in accordance with the procedures set forth in Section 11.17(a); *provided, however*, that (A) Borrowers shall have reimbursed such Lender for its increased costs and additional payments for which it is entitled to reimbursement under Section 2.8(a) or Section 2.8(d), as applicable, of this Agreement through the date of such sale and assignment, and (B) Borrowers shall pay to Agent the \$3,500 processing fee in respect of such assignment. In the event that a replaced Lender does not execute an Assignment Agreement pursuant to Section 11.17(a) within five (5) Business Days after receipt by such replaced Lender of notice of replacement pursuant to this Section 11.17(c) and presentation to such replaced Lender of an Assignment Agreement evidencing an assignment pursuant to this Section 11.17(c), such replaced Lender shall be deemed to have consented to the terms of such Assignment Agreement, and any such Assignment Agreement executed by Agent, the Replacement Lender and, to the extent required pursuant to Section 11.17(a), Borrowers, shall be effective for purposes of this Section 11.17(c) and Section 11.17(a). Upon any such assignment and payment, such replaced Lender shall no longer constitute a "**Lender**" for purposes hereof, other than with respect to such rights and obligations that survive termination as set forth in Section 12.1.

(d) Credit Party Assignments. No Credit Party may assign, delegate or otherwise transfer any of its rights or other obligations hereunder or under any other Financing Document without the prior written consent of Agent and each Lender.

Section 11.18 Funding and Settlement Provisions Applicable When Non-Funding Lenders Exist. So long as Agent has not waived the conditions to the funding of Revolving Loans set forth in Section 7.2, any Lender may deliver a notice to Agent stating that such Lender shall cease making Revolving Loans due to the non-satisfaction of one or more conditions to funding Loans set forth in

Section 7.2, and specifying any such non-satisfied conditions. Any Lender delivering any such notice shall become a non-funding Lender (a “**Non-Funding Lender**”) for purposes of this Agreement commencing on the Business Day following receipt by Agent of such notice, and shall cease to be a Non-Funding Lender on the date on which such Lender has either revoked the effectiveness of such notice or acknowledged in writing to each of Agent the satisfaction of the condition(s) specified in such notice, or Required Lenders waive the conditions to the funding of such Loans giving rise to such notice by Non-Funding Lender. Each Non-Funding Lender shall remain a Lender for purposes of this Agreement to the extent that such Non-Funding Lender has Revolving Loans Outstanding in excess of Zero Dollars (\$0); *provided, however*, that during any period of time that any Non-Funding Lender exists, and notwithstanding any provision to the contrary set forth herein, the following provisions shall apply:

(a) For purposes of determining the Pro Rata Share of each Revolving Lender under clause (c) of the definition of such term, each Non-Funding Lender shall be deemed to have a Revolving Loan Commitment Amount as in effect immediately before such Lender became a Non-Funding Lender.

(b) Except as provided in clause (a) above, the Revolving Loan Commitment Amount of each Non-Funding Lender shall be deemed to be Zero Dollars (\$0).

(c) The Revolving Loan Commitment at any date of determination during such period shall be deemed to be equal to the sum of (i) the aggregate Revolving Loan Commitment Amounts of all Lenders, other than the Non-Funding Lenders as of such date *plus* (ii) the aggregate Revolving Loan Outstandings of all Non-Funding Lenders as of such date.

(d) [Reserved]

(e) Agent shall have no right to make or disburse Revolving Loans for the account of any Non-Funding Lender pursuant to Section 2.1(b)(i) to pay interest, fees, expenses and other charges of any Credit Party.

(f) [Reserved]

(g) To the extent that Agent applies proceeds of Collateral or other payments received by Agent to repayment of Revolving Loans pursuant to Section 10.7, such payments and proceeds shall be applied first in respect of Revolving Loans made at the time any Non-Funding Lenders exist, and second in respect of all other outstanding Revolving Loans.

Section 11.19 Buy-Out Upon Refinancing. MCF shall have the right to purchase from the other Lenders all of their respective interests in the Loan at par in connection with any refinancing of the Loan upon one or more new economic terms, but which refinancing is structured as an amendment and restatement of the Loan rather than a payoff of the Loan.

Section 11.20 Definitions. As used in this Article 11, the following terms have the following meanings:

“**Approved Fund**” means any (a) investment company, fund, trust, securitization vehicle or conduit that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the Ordinary Course of Business, or (b) any Person (other than a natural person) which temporarily warehouses loans for any Lender or any entity described in the preceding clause (a) and that, with respect to each of the preceding clauses (a) and (b), is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender, or (iii) a Person (other than a natural person) or an Affiliate of a Person (other than a natural person) that administers or manages a Lender.

“Assignment Agreement” means an assignment agreement in form and substance acceptable to Agent.

“Defaulted Lender” means, so long as such failure shall remain in existence and uncured, any Lender which shall have failed to make any Loan or other credit accommodation, disbursement, settlement or reimbursement required pursuant to the terms of any Financing Document.

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by Agent; *provided, however*, that notwithstanding the foregoing, (x) **“Eligible Assignee”** shall not include any Borrower or any of a Borrower’s Affiliates, and (y) no proposed assignee intending to assume all or any portion of the Revolving Loan Commitment shall be an Eligible Assignee unless such proposed assignee either already holds a portion of such Revolving Loan Commitment, or has been approved as an Eligible Assignee by Agent.

“Federal Funds Rate” means, for any day, the rate of interest per annum (rounded upwards, if necessary, to the nearest whole multiple of 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, *provided, however*, that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day, and (b) if no such rate is so published on such next preceding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Agent on such day on such transactions as determined by Agent.

ARTICLE 12 - MISCELLANEOUS

Section 12.1 Survival. All agreements, representations and warranties made herein and in every other Financing Document shall survive the execution and delivery of this Agreement and the other Financing Documents and the other Operative Documents. The provisions of Section 2.9 and Articles 11 and 12 shall survive the payment of the Obligations (both with respect to any Lender and all Lenders collectively) and any termination of this Agreement and any judgment with respect to any Obligations, including any final foreclosure judgment with respect to any Security Document, and no unpaid or unperformed, current or future, Obligations will merge into any such judgment.

Section 12.2 No Waivers. No failure or delay by Agent or any Lender in exercising any right, power or privilege under any Financing Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by Law. Any reference in any Financing Document to the “continuing” nature of any Event of Default shall not be construed as establishing or otherwise indicating that any Borrower or any other Credit Party has the independent right to cure any such Event of Default, but is rather presented merely for convenience should such Event of Default be waived in accordance with the terms of the applicable Financing Documents.

Section 12.3 Notices.

(a) All notices, requests and other communications to any party hereunder shall be in writing (including prepaid overnight courier, facsimile transmission or similar writing) and shall be given to such party at its address, facsimile number or e-mail address set forth on the signature pages hereof (or, in the case of any such Lender who becomes a Lender after the date hereof, in an assignment agreement or in a notice delivered to Borrower Representative and Agent by the assignee Lender

forthwith upon such assignment) or at such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to Agent and Borrower Representative; *provided, however*, that notices, requests or other communications shall be permitted by electronic means only in accordance with the provisions of Section 12.3(b) and (c). Each such notice, request or other communication shall be effective (i) if given by facsimile, when such notice is transmitted to the facsimile number specified by this Section and the sender receives a confirmation of transmission from the sending facsimile machine, or (ii) if given by mail, prepaid overnight courier or any other means, when received or when receipt is refused at the applicable address specified by this Section 12.3(a).

(b) Notices and other communications to the parties hereto may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved from time to time by Agent, *provided, however*, that the foregoing shall not apply to notices sent directly to any Lender if such Lender has notified the Agent that it is incapable of receiving notices by electronic communication. The Agent or Borrower Representative may, in their discretion, agree to accept notices and other communications to them hereunder by electronic communications pursuant to procedures approved by it, *provided, however*, that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor, *provided, however*, that if any such notice or other communication is not sent or posted during normal business hours, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day.

Section 12.4 Severability. In case any provision of or obligation under this Agreement or any other Financing Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 12.5 Headings. Headings and captions used in the Financing Documents (including the Exhibits, Schedules and Annexes hereto and thereto) are included for convenience of reference only and shall not be given any substantive effect.

Section 12.6 Confidentiality.

(a) Each Credit Party agrees (i) not to transmit or disclose provisions of any Financing Document to any Person (other than to Borrowers' advisors and officers on a need-to-know basis or as otherwise may be required by Law) without Agent's prior written consent, (ii) to inform all Persons of the confidential nature of the Financing Documents and to direct them not to disclose the same to any other Person and to require each of them to be bound by these provisions.

(b) Agent and each Lender shall hold all non-public information regarding the Credit Parties and their respective businesses identified as such by Borrowers and obtained by Agent or any Lender pursuant to the requirements hereof in accordance with such Person's customary procedures for handling information of such nature, except that disclosure of such information may be made (i) to their respective agents, employees, Subsidiaries, Affiliates, attorneys, auditors, professional consultants, rating agencies, insurance industry associations and portfolio management services, (ii) to prospective

transferees or purchasers of any interest in the Loans, the Agent or a Lender, *provided, however*, that any such Persons are bound by obligations of confidentiality, (iii) as required by Law, subpoena, judicial order or similar order and in connection with any litigation, (iv) as may be required in connection with the examination, audit or similar investigation of such Person, and (v) to a Person that is a trustee, investment advisor, collateral manager, servicer, noteholder or secured party in a Securitization (as hereinafter defined) in connection with the administration, servicing and reporting on the assets serving as collateral for such Securitization. For the purposes of this Section, “**Securitization**” shall mean (A) the pledge of the Loans as collateral security for loans to a Lender, or (B) a public or private offering by a Lender or any of its Affiliates or their respective successors and assigns, of securities which represent an interest in, or which are collateralized, in whole or in part, by the Loans. Confidential information shall include only such information identified as such at the time provided to Agent and shall not include information that either: (y) is in the public domain, or becomes part of the public domain after disclosure to such Person through no fault of such Person, or (z) is disclosed to such Person by a Person other than a Credit Party, *provided, however*, Agent does not have actual knowledge that such Person is prohibited from disclosing such information. The obligations of Agent and Lenders under this Section 12.6 shall supersede and replace the obligations of Agent and Lenders under any confidentiality agreement in respect of this financing executed and delivered by Agent or any Lender prior to the date hereof.

Section 12.7 Waiver of Consequential and Other Damages. To the fullest extent permitted by applicable Law, no Borrower shall assert, and each Borrower hereby waives, any claim against any Indemnatee (as defined below), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of this Agreement, any other Financing Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnatee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Financing Documents or the transactions contemplated hereby or thereby.

Section 12.8 GOVERNING LAW; SUBMISSION TO JURISDICTION.

(a) THIS AGREEMENT, EACH NOTE AND EACH OTHER FINANCING DOCUMENT, AND ALL DISPUTES AND OTHER MATTERS RELATING HERETO OR THERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

(b) EACH BORROWER HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF MONTGOMERY, STATE OF MARYLAND AND IRREVOCABLY AGREES THAT, SUBJECT TO AGENT’S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER FINANCING DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. EACH BORROWER EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. EACH BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON SUCH BORROWER BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH BORROWER AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.

(c) Each Borrower, Agent and each Lender agree that each Loan (including those made on the Closing Date) shall be deemed to be made in, and the transactions contemplated hereunder and in any other Financing Document shall be deemed to have been performed in, the State of Maryland.

Section 12.9 WAIVER OF JURY TRIAL.

(a) **EACH BORROWER, AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE FINANCING DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH BORROWER, AGENT AND EACH LENDER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH BORROWER, AGENT AND EACH LENDER WARRANTS AND REPRESENTS THAT IT HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

(b) In the event any such action or proceeding is brought or filed in any United States federal court sitting in the State of California or in any state court of the State of California, and the waiver of jury trial set forth in Section 12.9(a) hereof is determined or held to be ineffective or unenforceable, the parties agree that all actions or proceedings shall be resolved by reference to a private judge sitting without a jury, pursuant to California Code of Civil Procedure Section 638, before a mutually acceptable referee or, if the parties cannot agree, a referee selected by the Presiding Judge of the Los Angeles County, California. Such proceeding shall be conducted in Los Angeles County, California, with California rules of evidence and discovery applicable to such proceeding. In the event any actions or proceedings are to be resolved by judicial reference, any party may seek from any court having jurisdiction thereover any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by Law notwithstanding that all actions or proceedings are otherwise subject to resolution by judicial reference.

Section 12.10 Publication; Advertisement.

(a) Publication. No Credit Party will directly or indirectly publish, disclose or otherwise use in any public disclosure, advertising material, promotional material, press release or interview, any reference to the name, logo or any trademark of MCF or any of its Affiliates or any reference to this Agreement or the financing evidenced hereby, in any case except (i) as required by Law, subpoena or judicial or similar order, in which case the applicable Credit Party shall give Agent prior written notice of such publication or other disclosure, or (ii) with MCF's prior written consent; *provided* that Agent and each Lender acknowledges and agrees that Borrowers and any other Credit Party may conduct public meetings pursuant to applicable Law during which this transaction may be discussed or authorized.

(b) Advertisement. Each Lender and each Credit Party hereby authorizes MCF to publish the name of such Lender and Credit Party, the existence of the financing arrangements referenced under this Agreement, the primary purpose and/or structure of those arrangements, the amount of credit extended under each facility, the title and role of each party to this Agreement, and the

total amount of the financing evidenced hereby in any “tombstone”, comparable advertisement or press release which MCF elects to submit for publication. In addition, each Lender and each Credit Party agrees that MCF may provide lending industry trade organizations with information necessary and customary for inclusion in league table measurements after the Closing Date. With respect to any of the foregoing, MCF shall provide Borrowers with an opportunity to review and confer with MCF regarding the contents of any such tombstone, advertisement or information, as applicable, prior to its submission for publication and, following such review period, MCF may, from time to time, publish such information in any media form desired by MCF, until such time that Borrowers shall have requested MCF cease any such further publication.

Section 12.11 Counterparts; Integration. This Agreement and the other Financing Documents may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures by facsimile or by electronic mail delivery of an electronic version of any executed signature page shall bind the parties hereto. This Agreement and the other Financing Documents constitute the entire agreement and understanding among the parties hereto and supersede any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 12.12 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto 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.

Section 12.13 Lender Approvals. Unless expressly provided herein to the contrary, any approval, consent, waiver or satisfaction of Agent or Lenders with respect to any matter that is the subject of this Agreement, the other Financing Documents may be granted or withheld by Agent and Lenders in their sole and absolute discretion and credit judgment.

Section 12.14 Expenses; Indemnity

(a) Borrowers hereby agree to promptly pay (i) all costs and expenses of Agent (including, without limitation, the fees, costs and expenses of counsel to, and independent appraisers and consultants retained by Agent) in connection with the examination, review, due diligence investigation, documentation, negotiation, closing and syndication of the transactions contemplated by the Financing Documents, in connection with the performance by Agent of its rights and remedies under the Financing Documents and in connection with the continued administration of the Financing Documents including (A) any amendments, modifications, consents and waivers to and/or under any and all Financing Documents, and (B) any periodic public record searches conducted by or at the request of Agent (including, without limitation, title investigations, UCC searches, fixture filing searches, judgment, pending litigation and tax lien searches and searches of applicable corporate, limited liability, partnership and related records concerning the continued existence, organization and good standing of certain Persons); (ii) without limitation of the preceding clause (i), all costs and expenses of Agent in connection with the creation, perfection and maintenance of Liens pursuant to the Financing Documents; (iii) without limitation of the preceding clause (i), all costs and expenses of Agent in connection with (A) protecting, storing, insuring, handling, maintaining or selling any Collateral, (B) any litigation, dispute, suit or proceeding relating to any Financing Document, and (C) any workout, collection, bankruptcy, insolvency and other enforcement proceedings under any and all of the Financing Documents; (iv) without limitation of the preceding clause (i), all costs and expenses of Agent in connection with Agent’s reservation of funds in anticipation of the funding of the initial Loans to be made hereunder; and (v) all costs and expenses incurred by Lenders in connection with any litigation,

dispute, suit or proceeding relating to any Financing Document and in connection with any workout, collection, bankruptcy, insolvency and other enforcement proceedings under any and all Financing Documents, whether or not Agent or Lenders are a party thereto. If Agent or any Lender uses in-house counsel for any of these purposes, Borrowers further agree that the Obligations include reasonable charges for such work commensurate with the fees that would otherwise be charged by outside legal counsel selected by Agent or such Lender for the work performed.

(b) Each Borrower hereby agrees to indemnify, pay and hold harmless Agent and Lenders and the officers, directors, employees, trustees, agents, investment advisors, collateral managers, servicers, and counsel of Agent and Lenders (collectively called the “**Indemnitees**”) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnatee) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnatee shall be designated a party thereto and including any such proceeding initiated by or on behalf of a Credit Party, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Agent or Lenders) asserting any right to payment for the transactions contemplated hereby, which may be imposed on, incurred by or asserted against such Indemnatee as a result of or in connection with the transactions contemplated hereby or by the other Operative Documents (including (i)(A) as a direct or indirect result of the presence on or under, or escape, seepage, leakage, spillage, discharge, emission or release from, any property now or previously owned, leased or operated by Borrower, any Subsidiary or any other Person of any Hazardous Materials, (B) arising out of or relating to the offsite disposal of any materials generated or present on any such property, or (C) arising out of or resulting from the environmental condition of any such property or the applicability of any governmental requirements relating to Hazardous Materials, whether or not occasioned wholly or in part by any condition, accident or event caused by any act or omission of Borrower or any Subsidiary, and (ii) proposed and actual extensions of credit under this Agreement) and the use or intended use of the proceeds of the Loans, except that Borrower shall have no obligation hereunder to an Indemnatee with respect to any liability resulting from the gross negligence or willful misconduct of such Indemnatee, as determined by a final non-appealable judgment of a court of competent jurisdiction. To the extent that the undertaking set forth in the immediately preceding sentence may be unenforceable, Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable Law to the payment and satisfaction of all such indemnified liabilities incurred by the Indemnitees or any of them.

(c) Notwithstanding any contrary provision in this Agreement, the obligations of Borrowers under this Section 12.14 shall survive the payment in full of the Obligations and the termination of this Agreement. NO INDEMNITEE SHALL BE RESPONSIBLE OR LIABLE TO THE BORROWERS OR TO ANY OTHER PARTY TO ANY FINANCING DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.

Section 12.15 [Intentionally Omitted].

Section 12.16 Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition or other proceeding be filed by or against any Credit Party for liquidation or reorganization, should any Credit Party become insolvent or make an assignment for the

benefit of any creditor or creditors or should an interim receiver, receiver, receiver and manager or trustee be appointed for all or any significant part of any Credit Party's assets, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable Law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a fraudulent preference reviewable transaction or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

Section 12.17 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrowers and Agent and each Lender and their respective successors and permitted assigns.

Section 12.18 General Obligations of Borrowers. The Obligations of Borrowers hereunder constitute the general obligations of each such Borrower enforceable against Borrower (including as provided in California Government Code Section 53850 et seq.) hereunder and under the other Financing Documents enforceable against each such Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or the other Financing Documents or any other circumstance whatsoever as to any other Person.

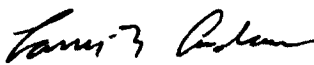
Section 12.19 USA PATRIOT Act Notification. Agent (for itself and not on behalf of any Lender) and each Lender hereby notifies Borrowers that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record certain information and documentation that identifies Borrowers, which information includes the name and address of Borrower and such other information that will allow Agent or such Lender, as applicable, to identify Borrowers in accordance with the USA PATRIOT Act.

[SIGNATURES APPEAR ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, intending to be legally bound, and intending that this Agreement constitute an agreement executed under seal, each of the parties have caused this Agreement to be executed under seal the day and year first above mentioned.

BORROWER:

TRI-CITY HEALTHCARE DISTRICT,
a local healthcare district and political subdivision of the State
of California doing business as Tri-City Medical Center

By: 

Name: Larry B. Anderson

Title: Chief Executive Officer

Address:

Tri-City Healthcare District

4002 Vista Way

Oceanside, California 92056

Attn: Larry Anderson, Chief Executive Officer

Facsimile: (760) 940-4050

E-Mail: andersonlb@tcmc.com

(Signature Page to Credit and Security Agreement)

AGENT:

MIDCAP FINANCIAL, LLC, as Agent

By: 

Name: Stephen Redlich

Title: Managing Director

Address:

7255 Woodmont Avenue, Suite 200

Bethesda, Maryland 20814

Attn: Account Manager for Tri-City transaction

Facsimile: 301-941-1450

Payment Account Designation:

Wells Fargo Bank, N.A. (McLean, VA)

ABA #: 121-000-248

Account Name: MidCap Funding IV, LLC - Collections

Account #: 2000036282803

Attention: Tri-City transaction

LENDER:

MIDCAP FINANCIAL, LLC, as a Lender

By: 

Name: Stephen Redlich

Title: Managing Director

Address:

7255 Woodmont Avenue, Suite 200

Bethesda, Maryland 20814

Attn: Account Manager for Tri-City transaction

Facsimile: 301-941-1450

ANNEXES, EXHIBITS AND SCHEDULES

ANNEXES

Annex A	Commitment Annex
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EXHIBITS

Exhibit A	[Reserved]
Exhibit B	Form of Compliance Certificate
Exhibit C	Borrowing Base Certificate
Exhibit D	Form of Notice of Borrowing
Exhibit E	Form of Notice of Lien to Account Debtor

SCHEDULES

Schedule 3.1	Existence, Organizational ID Numbers, Foreign Qualification, Prior Names
Schedule 3.5	Financial Information
Schedule 3.6	Litigation
Schedule 3.17	Material Contracts
Schedule 3.18	Environmental Compliance
Schedule 3.19	Intellectual Property
Schedule 3.23	Subsidiaries
Schedule 4.4	Insurance
Schedule 4.9	Litigation, Governmental Proceedings and Other Notice Events
Schedule 5.1	Debt; Contingent Obligations
Schedule 5.2	Liens
Schedule 5.7	Permitted Investments
Schedule 5.8	Affiliate Transactions
Schedule 5.14	Deposit Accounts and Securities Accounts
Schedule 7.4	Post-Closing Obligations
Schedule 8.2(a)	Licensing
Schedule 8.2(b)	Exceptions to Healthcare Representations and Warranties
Schedule 9.1	Collateral
Schedule 9.2	Location of Collateral
Schedule 9.2(Part A)	Thirty Largest Account Debtors

Annex A to Credit Agreement (Commitment Annex)

Lender	Revolving Loan Commitment Amount	Revolving Loan Commitment Percentage
MidCap Financial, LLC	\$25,000,000	100%
TOTALS	\$25,000,000	100%

Exhibit A to Credit Agreement (Reserved)

Exhibit B to Credit Agreement (Form of Compliance Certificate)

COMPLIANCE CERTIFICATE

This Compliance Certificate is given by _____, a Responsible Officer of Tri-City Healthcare District, a local healthcare district and political subdivision of the State of California doing business as Tri-City Medical Center (the “**Borrower Representative**”), pursuant to that certain Credit and Security Agreement dated as of July 29, 2013 among the Borrower Representative, and any additional Borrower that may hereafter be added thereto (collectively, “**Borrowers**”), MidCap Funding IV, LLC, individually as a Lender and as Agent (as assigned to it by MidCap Financial, LLC), and the financial institutions or other entities from time to time parties hereto, each as a Lender (as such agreement may have been amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Capitalized terms used herein without definition shall have the meanings set forth in the Credit Agreement.

The undersigned Responsible Officer, in his/her capacity as such officer and not in his/her individual capacity, hereby certifies to Agent and Lenders that:

(a) the financial statements delivered with this certificate in accordance with Section 4.1 of the Credit Agreement fairly present in all material respects the results of operations and financial condition of Borrowers and their Consolidated Subsidiaries as of the dates and the accounting period covered by such financial statements;

(b) I have reviewed the terms of the Credit Agreement and have made, or caused to be made under my supervision, a review in reasonable detail of the transactions and conditions of Borrowers and their Consolidated Subsidiaries during the accounting period covered by such financial statements, and such review has not disclosed the existence during or at the end of such accounting period, and I have no knowledge of the existence as of the date hereof, of any condition or event that constitutes a Default or an Event of Default, except as set forth in Schedule 1 hereto, which includes a description of the nature and period of existence of such Default or an Event of Default and what action Borrowers have taken, are undertaking and propose to take with respect thereto;

(c) except as noted on Schedule 2 attached hereto, Schedule 9.2 to the Credit Agreement contains a complete and accurate list of all business locations of Borrowers and Guarantors (including the Hospital and all Hospital Facilities) and all names under which Borrowers currently conduct business;

(d) except as noted on Schedule 3 attached hereto, the undersigned has no knowledge of (i) any federal or state tax liens having been filed against the Borrowers, Guarantors or any Collateral, or (ii) any failure of the Borrowers or any Guarantors to make required payments of withholding or other tax obligations of the Borrowers or any Guarantors during the accounting period to which the attached statements pertain or any subsequent period;

(e) Schedule 5.14 to the Credit Agreement contains a complete and accurate statement of all Deposit Accounts and Securities Accounts maintained by Borrowers or any Guarantors;

(f) except as noted on Schedule 4 attached hereto and Schedule 3.6 to the Credit Agreement, the undersigned has no knowledge of any current, pending or threatened: (i) litigation against the Borrowers or any Guarantors, (ii) inquiries, investigations or proceedings concerning the business affairs, practices, licensing or reimbursement entitlements of Borrowers or any Guarantors, or (iii) default by Borrowers or any Guarantors under any Material Contract to which it is a party;

(g) except as noted on **Schedule 5** attached hereto, no Borrower or Guarantor has acquired, by purchase or otherwise, any Chattel Paper, Letter-of-Credit Rights, Instruments, Documents or Investment Property that has not previously been reported to Agent on any **Schedule 5** to any previous Compliance Certificate delivered by Borrower Representative to Agent;

(h) except as noted on **Schedule 6** attached hereto, no Borrower or Guarantor is aware of any commercial tort claim that has not previously been reported to Agent on any **Schedule 6** to any previous Compliance Certificate delivered by Borrower Representative to Agent;

(i) Borrowers and Guarantor are in compliance with the covenants contained in Article 6 of the Credit Agreement, and in any Guarantee constituting a part of the Financing Documents, as demonstrated by the calculation of such covenants below, except as set forth below; in determining such compliance, the following calculations have been made: [See attached worksheets]. Such calculations and the certifications contained therein are true, correct and complete; and

(j) except as noted on **Schedule 7** attached hereto, no Borrower or Guarantor is aware of any change to the thirty (30) largest Account Debtors that has not previously been reported to Agent on any **Schedule 7** to any previous Compliance Certificate delivered by Borrower Representative to Agent.

The foregoing certifications and computations are made as of _____, 201__ (end of month) and as of _____, 201__.

Sincerely,

TRI-CITY HOSPITAL DISTRICT,
a local healthcare district and political
subdivision of the State of California doing
business as Tri-City Medical Center

By: _____
Name: _____
Title: _____

EBITDA Worksheet (Attachment to Compliance Certificate)

EBITDA for the applicable Defined Period is calculated as follows:

Excess of revenue over expenses (“**EROE**”) for the Defined Period of Borrowers, but excluding the income (or loss) of any Person in which Borrowers have an ownership interest unless received by Borrower in a cash distribution \$_____

Plus: Any provision for (or *minus* any benefit from) income and franchise taxes deducted in the determination of EROE for the Defined Period (for avoidance of doubt, Tri-City Healthcare District tax revenue shall be included in the calculation of EROE) \$_____

Plus: Interest expense, net of interest income, deducted in the determination of net income for the Defined Period \$_____

Plus: Amortization and depreciation deducted in the determination of EROE for the Defined Period \$_____

EBITDA for the Defined Period: \$_____

Fixed Charge Coverage Ratio Worksheet (Attachment to Compliance Certificate)

Fixed Charges for the applicable Defined Period is calculated as follows:

Interest expense, net of interest income, interest paid in kind and amortization of capitalized fees and expenses incurred to consummate the transactions contemplated by the Financing Documents and included in interest expense, included in the determination of EROE of Borrowers for the Defined Period (**“Total Revolving Loans Interest Expense”**)

\$ _____

Plus: Any provision for (or *minus* any benefit from) income or franchise taxes included in the determination of EROE for the Defined Period (for the avoidance of doubt, Tri-City Healthcare District tax revenue shall be excluded from the calculation of Fixed Charges)

\$ _____

Plus: Payments of principal and interest for the Defined Period with respect to all Debt (including the portion of scheduled payments under capital leases allocable to principal and excluding interest expense (net of interest income), interest paid-in-kind on Revolving Loans, scheduled repayments of Revolving Loans and other Debt subject to reborrowing to the extent not accompanied by a concurrent and permanent reduction of the Revolving Loan Commitment (or equivalent loan commitment))

\$ _____

Fixed Charges for the applicable Defined Period:

\$ _____

Operating Cash Flow for the applicable Defined Period is calculated as follows:

EBITDA for the Defined Period (calculated pursuant to the EBITDA Worksheet)

\$ _____

Minus: Unfinanced capital expenditures for the Defined Period

\$ _____

Minus: To the extent not already reflected in the calculation of EBITDA, other capitalized costs, defined as the gross amount paid in cash and capitalized during the Defined Period, as long term assets, other than amounts capitalized during the Defined Period as capital expenditures for property, plant and equipment or similar fixed asset accounts

\$ _____

Operating Cash Flow for the Defined Period:

\$ _____

Covenant Compliance:

Fixed Charge Coverage Ratio (Ratio of Operating Cash Flow to Fixed Charges) for the Defined Period

____ to 1.00

Minimum Fixed Charge Coverage for the Defined Period

[1.05/1.10] to 1.00

In Compliance

Yes / No

Exhibit C to Credit Agreement (Borrowing Base Certificate as of Closing Date)

Exhibit D to Credit Agreement (Form of Notice of Borrowing)

NOTICE OF BORROWING

This Notice of Borrowing is given by _____, a Responsible Officer of Tri-City Healthcare District, a local healthcare district and political subdivision of the State of California doing business as Tri-City Medical Center (the “**Borrower Representative**”), in his/her capacity as _____ and not in his/her individual capacity, pursuant to that certain Credit and Security Agreement dated as of July 29, 2013 among the Borrower Representative, and any additional Borrower that may hereafter be added thereto (collectively, “**Borrowers**”), MidCap Funding IV, LLC, individually as a Lender and as Agent (as assigned to it by MidCap Financial, LLC), and the financial institutions or other entities from time to time parties hereto, each as a Lender (as such agreement may have been amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Capitalized terms used herein without definition shall have the meanings set forth in the Credit Agreement.

The undersigned Responsible Officer hereby gives notice to Agent of Borrower Representative’s request to borrow \$_____ of Loans on _____, 201____. Attached is a Borrowing Base Certificate complying in all respects with the Credit Agreement and confirming that, after giving effect to the requested advance, the Revolving Loan Outstandings will not exceed the Revolving Loan Limit.

The undersigned Responsible Officer hereby certifies that, both before and after giving effect to the request above (a) each of the conditions precedent set forth in Section 7.2 have been satisfied, (b) all of the representations and warranties contained in the Credit Agreement and the other Financing Documents are true, correct and complete as of the date hereof, except to the extent such representation or warranty relates to a specific date, in which case such representation or warranty is true, correct and complete as of such earlier date, and (c) no Default or Event of Default has occurred and is continuing on the date hereof.

IN WITNESS WHEREOF, the undersigned Responsible Officer has executed and delivered this Notice of Borrowing in his/her capacity as a Responsible Officer and not in his/her individual capacity, this ____ day of _____, 201____.

Sincerely,

TRI-CITY HOSPITAL DISTRICT,
a local healthcare district and political
subdivision of the State of California doing
business as Tri-City Medical Center

By: _____
Name: _____
Title: _____

Schedule 7.4 – Post Closing Requirements

Borrowers shall satisfy and complete each of the following obligations, or provide Agent each of the items listed below, as applicable, on or before the date indicated below, all to the satisfaction of Agent in its sole and absolute discretion:

1. Delivery to Agent by August 16, 2013 of an opinion letter by TCMC's healthcare regulatory counsel, addressed to Agent and the Lenders, as to healthcare regulatory matters in scope, substance and form reasonably acceptable to Agent.
2. Delivery to Agent by October 31, 2013 of fully executed Lockbox Agreements as to each Deposit Account maintained by Borrowers with Bank of America, N.A., including, without limitation, the Deposit Accounts designated as collection accounts for the receipt of governmental and non-governmental Accounts or, in the alternative, confirmation of termination of such Deposit Accounts.
3. Delivery to Agent by August 16, 2013 of a fully executed Deposit Account Control Agreement as to that Deposit Account number XXX-XX7709 (the wellness center checking account) maintained by TCMC with Bank of the West

Borrower's failure to complete and satisfy any of the above obligations on or before the date indicated above, or Borrower's failure to deliver any of the above listed items on or before the date indicated above, shall constitute an immediate an automatic Event of Default.

Schedule 9.1 – Collateral

The Collateral consists of all of Borrower's right, title and interest in and to the following, whether now owned or hereafter created, acquired or arising, and all proceeds and products of the following:

(a) all of Borrowers' Accounts, and all of Borrowers' money, contract rights, chattel paper, documents, Deposit Accounts, Securities Accounts, securities, investment property and Instruments with respect thereto, and all of Borrowers' rights, remedies, security, Liens and supporting obligations, in, to and in respect of the foregoing, including, without limitation, rights of stoppage in transit, replevin, repossession and reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, guarantees or other contracts of suretyship with respect to the Accounts, deposits or other security for the obligation of any Account Debtor, and credit and other insurance;

(b) to the extent not listed above, all of Borrowers' money, securities, investment property, Deposit Accounts, Securities Accounts, Instruments and other personal property and the proceeds thereof that are now or hereafter held or received by, in transit to, in possession of, or under the control of Agent or a bailee or Affiliate of Agent, whether for safekeeping, pledge, custody, transmission, collection or otherwise;

(c) to the extent not listed above, all of Borrowers' now owned or hereafter acquired Deposit Accounts or Securities Accounts into which Accounts or the proceeds of Accounts are deposited, including the Lockbox Account and all signature cards, account agreements and other documents relating to the Deposit Accounts or Securities Accounts;

(d) to the extent not listed above all of Borrowers' personal property of every kind and description with respect to, evidencing or relating to its Accounts, including, without limitation, all of Borrowers' rights in any choses in action, claims, books, records, ledger cards, contracts, licenses, formulae, tax and other types of refunds, returned and unearned insurance premiums, rights and claims under insurance policies, and computer programs, programs, discs, information, software, records and data, all software, web servers, website service contracts, internet connection contract or line lease, website hosting service contract, website license agreements, back-up copies of website content, contracts with website advertisers, scripts, codes or Active-X controls, technology escrow agreements, website content development agreements, or all of the above-mentioned items as the same relates to the Accounts or is otherwise necessary or helpful in the collection thereof or realization thereon;

(e) all of Borrowers' Healthcare Permits, General Intangibles (including, without limitation, payment intangibles), commercial tort claims, documents, Instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash and cash equivalents, letter-of-credit rights and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

(f) all Proceeds and products of the foregoing.

Notwithstanding the foregoing, the Collateral shall expressly and specifically exclude and shall not include (i) the Pledged Cash Collateral Accounts and the funds credited thereto or otherwise maintained therein, (ii) any membership or other equity interests in Wellness LLC, Real Estate LLC or Premier Purchasing Partners, L.P., or (iii) any of the "Assets" as acquired by TCMC pursuant to (and as described and as such term is defined in Section 1.1 of) that Asset Purchase Agreement dated as of August 3, 2012 among TCMC, as buyer, North County Oncology Medical Clinic, Inc., as seller, and certain other parties to the extent TCMC's right, title or interest in such Assets is subject to a contractual restriction on

assignment such that the creation of a security interest in the right, title or interest of TCMC therein would be prohibited; *provided* that the foregoing exclusion shall not apply if such prohibition would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC or any other applicable Law; *provided further* that immediately upon the ineffectiveness, lapse or termination of any such provision, TCMC shall be deemed to have granted a security interest in all its right, title and interest in and to such Assets to the extent constituting Collateral pursuant to any of the preceding clauses (a) through (f); and *provided further* that the foregoing exclusions shall in no way be construed so as to limit, impair or otherwise affect Agent's continuing security interest in and to all right, title and interest of TCMC in any payment obligations or other rights to receive monies due or to become due under any such Assets.

Exhibit E to Credit Agreement (Form of Notice of Lien to Account Debtor)

[Letterhead of Tri-City Healthcare District]

[Name and Address
of Account Debtor]

Re: Notice of Security Interest in Accounts Receivable

To Whom it May Concern:

Please be advised that, as collateral security for a senior secured financing provided to us by MidCap Financial, LLC and certain other institutional lenders, we have granted in favor of MidCap Financial, LLC, as administrative agent for the benefit of such lenders (in such representative capacity, the “Agent”) , a pledge and assignment of, security interest in, and lien on, among other of our personal property assets, all of our existing and future accounts receivable, including all of our existing and future accounts receivable payable by you to us (the “Pledged Collateral”). This notice is furnished to you for the limited purposes of apprising you of Agent’s interest, as a secured creditor, in the Pledged Collateral.

Sincerely,

TRI-CITY HEALTHCARE DISTRICT,
doing business as TRI-CITY MEDICAL CENTER

By: _____
[Authorized Officer]

SCHEDULES

TO CREDIT AND SECURITY AGREEMENT, DATED AS OF JULY 29, 2013 (THE “CREDIT AGREEMENT”), BY AND AMONG TRI-CITY HEALTHCARE DISTRICT, A LOCAL HEALTHCARE DISTRICT AND POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA DOING BUSINESS AS TRI-CITY MEDICAL CENTER (“TCMC”), AND ANY ADDITIONAL BORROWER THAT MAY HEREAFTER BE ADDED THERETO (TCMC AND SUCH ADDITIONAL BORROWERS BEING REFERRED TO HEREIN INDIVIDUALLY AS A “BORROWER”, AND COLLECTIVELY AS “BORROWERS”), MIDCAP FINANCIAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, INDIVIDUALLY AS A LENDER, AND AS AGENT, AND THE FINANCIAL INSTITUTIONS OR OTHER ENTITIES FROM TIME TO TIME PARTIES HERETO, EACH AS A LENDER.

CAPITALIZED TERMS NOT OTHERWISE DEFINED IN THESE DISCLOSURE SCHEDULES SHALL HAVE THE RESPECTIVE MEANINGS ASSIGNED TO SUCH TERMS IN THE CREDIT AGREEMENT.

SCHEDULE 3.1

EXISTENCE, ORGANIZATIONAL ID NUMBERS, FOREIGN QUALIFICATION, PRIOR NAMES

Name	Jurisdiction of Formation	Organizational Identification No.	Date of Formation
Tri-City Healthcare District	California	FEIN: 95-2126937	December 10, 1957

The following is a list of all other names used by each Borrower or any of such Borrower's divisions or other business units at any time during the past five years:

Tri-City Medical Center; Tri-City Home Care; Tri-City Hospice; Tri-City Hospital District.

SCHEDULE 3.5

MATERIAL ADVERSE CHANGE

1. Changes to the business, operations, properties, prospects or condition (financial or otherwise) of TCMC as disclosed in the May 31, 2013 financial statements provided to Agent resulting from the occupancy drop in June 2013 and the resulting operating losses associated therewith.

SCHEDULE 3.6

LITIGATION

The following is a complete list of litigation pending against, or to such Borrower's knowledge threatened against or affecting, any Credit Party or, to such Borrower's knowledge, any party to any Operative Document other than a Credit Party, in which an adverse decision could reasonably be expected to have a Material Adverse Effect or which in any manner draws into question the validity of any of the Operative Documents.

A. PENDING LITIGATION AND CLAIMS' SCHEDULE

Identification	General Category	Status
1. Hammes Company Healthcare, LLC Case Title: Hammes Company Healthcare, LLC et al. v. Tri-City Healthcare District et al.; Case No. 3:09-cv-02324-JLS-CAB (related to Tri-City Healthcare District v. HC Tri-City I, LLC et al.; Case No. 3:09-cv-02334-JLS-CAB))	See Schedule 4.9	On-going litigation
2. The matter disclosed to Agent by Dentons US LLP (" <u>Dentons</u> "), counsel to TCMC, in that certain telephone conference on July 22, 2013 among TCMC, Dentons, MCF and Bingham McCutchen LLP, counsel to MCF (the " <u>Disclosed Matter</u> ").		
3. Jennifer Randall v. TCMC, et al., Case No. 37-2013-0036540-CU-CR-NC, filed in the San Diego Superior Court, North County	See Schedule 4.9	On-going litigation

B. PROFESSIONAL LIABILITY CLAIMS SCHEDULE

Claim Date	Identification	Damages Claimed
6/21/2012	Joyane Gonzalez	>\$25,000.00
5/14/2012	McCune, Steven Wayne	>\$10,000.00
3/8/2012	Mierlot, Renee	\$800,000.00
7/13/2012	Hill, Barbara	>\$10,000.00
8/23/2012	Randall, Jennifer	>\$525,000.00

The above professional liability claims are open as of July 18, 2013. All of the above professional liability claims are insured with SIR of \$1 million.

Please also note that workers' compensation and employment-related claims have not been included in the lists provided above.

SCHEDULE 3.17

MATERIAL CONTRACTS

A. REAL ESTATE LEASES WITH ANNUAL RENT OVER \$1,000,000:

Location	Title, Parties and Date of Contract	Annual Rent (for non-Affiliate Leases only)
1. Leases Disclosed on Schedule 5.8	See Schedule 5.8	See Schedule 5.8
2. Other Leases:		
a. 6250 and 6260 El Camino Real, Carlsbad, CA 92009	AIR Commercial Real Estate Association Standard Industrial/Commercial Single-Tenant Lease – Net, dated June 30, 2013, between Tri-City Wellness, LLC and Borrower	Base Rent: \$225,517 per month escalating each year to \$341,115 in year 15 pursuant to Addendum, dated June 30, 2013 (triple net)

B. Partnership, limited liability or other joint venture agreements:

1. Operating Agreement of Tri-City Real Estate Holding and Management Company LLC dated November 1, 2011, by and among Borrower and Tri-City Hospital Foundation.
2. Operating Agreement of Tri City Wellness, LLC dated May 7, 2013, by and among Borrower and Tri-City Hospital Foundation.
3. Operating Agreement of Tri-City Medical Center Cardiovascular Institute, LLC, dated as of February 18, 2010 by and among Larry B. Anderson, Casey Fatch, Sharon Schultz, Donald Dawkins, David Spiegel, MD, Theodore Folkerth, MD, Donald Ponec, MD, Mohammad Jamshidi-Nezhad, DO, Andrew Deemer, MD, John Kroener, MD, Paul Sarkaria, MD, Kathleen Paveglio, MD, Cambrian Cardiology and PCSA, Inc. **[NOTE THAT THE BORROWER IS NOT LISTED AS A PARTY ON THE SIGNATURE PAGES TO THE OPERATING AGREEMENT, BUT SECTION 3.1 PROVIDES THAT ALL OF THE A UNITS SHALL BE OWNED BY THE “HOSPITAL” OR AN AFFILIATE OF THE HOSPITAL. THE “HOSPITAL” IS DEFINED TO BE THE BORROWER IN THIS AGREEMENT.]**
4. Operating Agreement of Tri-City Medical Center ASC Operators, LLC, dated as of April 1, 2010, between Surgicare Oceanside, Inc. and Tri-City Healthcare District.
5. Amended and Restated Agreement of Limited Partnership of North Coast Surgery Center, Ltd., dated as of March 15, 2010, by and between Tri City Medical Center ASC Operators, LLC, which is which is the General Partner (owned by Surgicare of Oceanside, Inc. and Tri-City Medical Center) and the limited partners listed on Schedule A thereto and First Amendment of Amended and Restated Agreement of Limited Partnership of North Coast Surgery Center, Ltd., dated as of April 1, 2010, pursuant to which Tri-City Medical Center ASC Operators, LLC became the General Partner of North Coast Surgery Center, Ltd.

6. Operating Agreement of Tri-City Medical Center Orthopedic Institute, LLC, dated October 28, 2010, by and among Larry B. Anderson, Casey Fatch, Donald Dawkins, James Esch, MD, Richard Muir, MD, Joel Heiser, MD, James Helgager, MD, Neville Alleyne, MD, Andrew Cooperman, MD, Andrew Hartman, MD, Kenneth Ott, MD, Janet Dulap, MD, David Amory, MD, Eric Thuen, DPM, Lokesh Tantuwaya, MD. **[NOTE THAT THE BORROWER IS NOT LISTED AS A PARTY ON THE SIGNATURE PAGES TO THE OPERATING AGREEMENT, BUT SECTION 3.1 PROVIDES THAT ALL OF THE A UNITS SHALL BE OWNED BY THE HOSPITAL OR AN AFFILIATE OF THE HOSPITAL. BORROWER IS THE HOSPITAL AS DEFINED IN THIS AGREEMENT.]**
7. A. Operating Agreement of OPS Enterprises, LLC, dated as of January 1, 2012, by and among Warren Paroly, Mary Beth Oblon and Nayyar Siddique, as amended by that certain First Amendment to the Operating Agreement of OPS Enterprises, LLC, dated as of October 1, 2012, by and among Borrower, Warren Paroly, Mary Beth Oblon and Nayyar Siddique, that certain Second Amendment to the Operating Agreement of OPS Enterprises, LLC dated as of December 14, 2012 by and among Borrower, Warran Palroy, Mary Beth Oblon and Nayyar Siddique, and that certain third Amendment to the Operating Agreement of OPS Enterprises, LLC, dated as of December 14, 2012, by and among Borrower, Mary Beth Oblon and Nayyar Siddique. B. Agreement for Purchase and Sale of Membership Interests in OPS Enterprises, LLC, dated as of August 3, 2012, by and among Borrower, Warren Paroly, Mary Beth Oblon, Nayyar Siddique and OPS Enterprises, LLC and that certain First Amendment to Agreement for Purchase and Sale of Membership Interests in OPS Enterprises, LLC, dated September 14, 2012, by and among Borrower, Warren Paroly, Mary Beth Oblon, Nayyar Siddique and OPS Enterprises, LLC. C. Agreement for Purchase and Sale of Membership Interest in OPS Enterprises, LLC, dated as of December 14, 2012, by and among Warren Paroly and Mary Beth Oblon and OPS Enterprises, LLC.
8. Operating Agreement of Tri-City Imaging, LLC, dated as of June 1, 2013, by and among PET Imaging of North County, LLC and Borrower.
9. Co-Management Agreement, dated as of February 18, 2013 between Borrower and Tri-City Medical Center Cardiovascular Institute, LLC.
10. Co-Management Agreement, dated as of October 28, 2010, by and between Borrower and Tri-City Medical Center Orthopedic Institute LLC.
11. Operating Agreement of TCI Regents Imaging, LLC, dated as of June 1, 2013, by and among PET Imaging of North County, LLC and Tri-City Imagine, LLC.

C. Third party billing arrangements:

Tri-City Medical Center					
Listing of Contracted Payors					
Payor Name	HMO	PPO	Medicare HMO	Medi-Cal HMO	Work Comp
AETNA	X	X			
ANTHEM BLUE CROSS (HEALTHY FAMILIES PAYS AT COMM. RATES)	X	X	X	X	X
ANTHEM BLUE CROSS AIM				X	
BEECH STREET, A VANT NETWORK					X
BLUE SHIELD	X	X			
CARE 1st HEALTH PLAN			X	X	
CHILDREN'S HOSP. SAN DIEGO	X			X	
CIGNA	X	X			X
CMS - COUNTY MEDICAL SERVICES			San Diego County Indigent Program - Per Diem		
COMMUNITY HEALTH GROUP			X	X	
COUNCIL OF COMMUNITY CLINICS			PAYOR OF LAST RESORT FOR BREAST CANCER FUNDING		
COVENTRY, aka FIRST HEALTH		X			X
EXODUS RECOVERY, INC.			SD County contractor for Crisis Intervention - TCMC Lab work/laundry & dietary services		
GTCIPA	X	X	X	X	
HEALTHNET	X	X	X	X	
HEALTHNET CDCR			FORENSICS POPULATION ONLY		
HEARTS OF GOLD CARE HOME			Private Residential Care provider - Occupational and Physical Therapy Secondary Payor		
HERITAGE PROVIDER NETWORK / REGAL MEDICAL GROUP*	X				
HUMANA SENIOR			X		
INDIAN HEALTH COUNCIL			Secondary payor only - FQHC - two clinics		
INTERPLAN		X			X
KAISER / SCPMG - URGENT CARE	X		X	X	
MANAGED HEALTH NETWORK - BHS	X		X		
MEDEX					X
MEDI-CAL				X	
MEDI-CAL BHS			Administrator: San Diego County Mental Health		
MOLINA HEALTHCARE			X	X	
MULTIPLAN (PHCS contract rates)		X			
NETWORKS BY DESIGN		X			X
NEW HAVEN HOME YOUTH AND FAMILY SERVICES			Private Residential Care provider - PT only		
PACIFIC FOUNDATION FOR MEDICAL CARE		X			X
PACIFICARE - BHS	X	X	X		
PRIMARY CARE ASSOCIATES MEDICAL GROUP	X	X	X	X	
PRIVATE HEALTH SYSTEMS, INC. (PHCS)					
QTC MEDICAL SERVICES			Pulmonary Testing only - Wkrs Comp cases on referral		
SAN DIEGO PHYSICIANS MEDICAL GROUP	X		X	X	
SANTA FE EMPLOYEES		X			
SHARP COMMUNITY - GRAYBILL MEDICAL GROUP	X		X		
SHARP HEALTH PLAN	X				
THREE RIVERS PROVIDER NETWORK		X			
TRICARE	X	X			
UNITED HEALTH CARE (FORMERLY PACIFICARE)	X	X	X		
UNIVERSAL CARE	X				
U.S. BEHAVIORIAL HEALTH - BHS	X	X	X		
*Heritage Provider Network is an MSO for Regal Medical Group.				Listing Date: July 2013	

D. Other Contracts (to the extent not addressed in items A, B, C):

1. Transition Agreement with Medical Acquisition Company, Inc. dated November 7, 2012 and all of the documents and agreements executed in connection therewith including, without limitation, the following:
 - a. Ground Lease Termination Agreement dated November 7, 2012 between Borrower and MAC
 - b. MOB Lease Termination Agreement dated November 7, 2012 between Borrower and MAC
 - c. Termination of Security Agreement dated November 7, 2012 between MAC and Borrower
 - d. Substitution of Trustee and Deed of Full Reconveyance dated November 7, 2012

- e. Bill of Sale and Assignment of Entitlements, Contracts and Intangible Property (MAC General Assignment) between MAC and Borrower dated November 7, 2012 – Exhibits Missing
 - f. Promissory Note in the sum of \$3,541,128 executed by Borrower in favor of MAC
 - g. Release Agreement dated November 7, 2012 between Borrower, MAC and Charly Perez
 - h. Press Release
 - i. First Amendment to Transition Agreement dated November 29, 2012
 - j. Second Amendment to Transition Agreement dated December 20, 2012
 - k. Third Amendment to Transition Agreement dated February 22, 2013
 - l. Fourth Amendment to Transition Agreement dated March 25, 2013
 - m. Fifth Amendment to Transition Agreement dated May 31, 2013
- 2. Master Sales and License Agreement, dated as of February 25, 2005, between Cardinal Health 303, Inc. (formerly known as ALARIS Medical Systems, Inc. and Borrower; CareFusion/Products Agreements; Amendment to Alaris Products Master Terms & Conditions; and Assignment, Assumption and Consent Agreement (Alaris Products) dated October 20, 2006 and all schedules thereto including, without limitation, Schedule A-1, Schedule A-3, Schedule A-4, Schedule B-2, Schedule B-3, Schedule B-4, Schedule C-1, Schedule C-5
 - 3. Consulting Services Software and License Agreement (DDS Supply Chain Solution and Revenue Cycle Improvement) with Deman Data Systems LLC dated April 30, 2010
 - 4. Pricing Agreement with Edwards Lifesciences LLC dated September 15, 2011
 - 5. Deferred Equipment Agreement with Masimo Americas, Inc. dated May 1, 2013
 - 6. McKesson Health Solutions Master Agreement with McKesson Health Solutions LLC dated April 11, 2009
 - 7. Professional Services Agreement, dated May 23, 2013, by and between TCMC and Aramark Healthcare Technologies, LLC.
- E. Other agreements or instruments to which any Credit Party is a party, the breach, nonperformance or cancellation of which, or the failure of which to renew, could reasonably be expected to have a Material Adverse Effect to the extent not disclosed in items (A) through (D) above:
- None

SCHEDULE 3.18

ENVIRONMENTAL COMPLIANCE

NONE.

SCHEDULE 3.19

INTELLECTUAL PROPERTY

NONE.

SCHEDULE 3.23**SUBSIDIARIES**

1. a. Borrower has the following subsidiaries:

Name of Subsidiary	State of Formation or Organization	Percentage Owned by Entity	Owned by Others	Other Owner:
Tri-City Real Estate Holding and Management Company LLC	CA	Approx. 99%	Approx. 1%	Tri-City Hospital Foundation
Tri City Wellness, LLC	CA	99.999%	.001%	Tri-City Hospital Foundation
North Coast Medical ACO, Inc.	CA	100%	0%	N/A

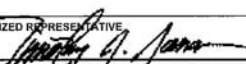
- b. Borrower has the following joint ventures:

Name of Joint Venture	State of Formation or Organization	Percentage Owned by Entity	Owned by	Other Owner(s):
Tri-City Medical Center Cardiovascular Institute, LLC	CA	Approx. 62%	Approx. 38%	Physicians/Physician Groups (11 separate investors)
Tri-City Medical Center ASC Operators, LLC	CA	60%	40%	Surgicare of Oceanside, Inc.
North Coast Surgery Center Ltd., a California limited partnership	CA	General Partner is Tri-City Medical Center ASC Operators, LLC	51% owned by Tri-City Medical Center ASC Operators, LLC	49% owned by Physicians/Physician Groups
Tri-City Medical Center Orthopedic Institute, LLC	CA	50%	50%	Physicians/Physician Groups (13 separate investors)
OPS Enterprises, LLC	CA	25%	75%	Dr. Nayyar Siddique and Mary Beth Oblon
Tri-City Imaging, LLC	CA	50%	50%	PET Imaging of North County, LLC

Name of Joint Venture	State of Formation or Organization	Percentage Owned by Entity	Owned by	Other Owner(s):
TCI Regents Imaging, LLC	CA	40% owned by Tri-City Imaging, LLC	60%	PET Imaging of North County, LLC [NOTE THAT THIS TRANSACTION IS SCHEDULED TO OCCUR ON OR ABOUT AUGUST 1, 2013. SEE MORE COMPLETE DISCLOSURE ON SCHEDULE 5.8]

SCHEDULE 4.4

INSURANCE CERTIFICATES

ACORD®		EVIDENCE OF COMMERCIAL PROPERTY INSURANCE		DATE (MM/DD/YYYY) 7/8/2013
THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.				
PRODUCER NAME CONTACT PERSON AND ADDRESS Lockton Insurance Brokers, LLC 725 S. Figueroa Street, 35th Fl. CA License #0F15767 Los Angeles CA 90017		PHONE (213) 689-0065	COMPANY NAME AND ADDRESS Travelers Property Casualty Insurance Co NAIC NO: 36161	
FAX (213) 689-0550	E-MAIL ADDRESS:		IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH	
CODE: TRIC106	SUB CODE:		POLICY TYPE Property	
AGENCY CUSTOMER ID #:	NAMED INSURED AND ADDRESS Tri-City Healthcare District A California Local Healthcare District On behalf of Tri-City Medical Center 4002 Vista Way Oceanside CA 92056		LOAN NUMBER	POLICY NUMBER KTJ-CMB-3D90626-4-13
ADDITIONAL NAMED INSURED(S)		EFFECTIVE DATE 7/1/2013		EXPIRATION DATE 7/1/2014 CONTINUED UNTIL TERMINATED IF CHECKED
		THIS REPLACES PRIOR EVIDENCE DATED:		
PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required) <input checked="" type="checkbox"/> BUILDING OR <input checked="" type="checkbox"/> BUSINESS PERSONAL PROPERTY				
LOCATION / DESCRIPTION 025 6250 & 6260 El Camino Real Carlsbad CA 92009 Building: \$26,400,000; BPP: \$2,354,821; BI: Included				
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.				
COVERAGE INFORMATION				
PERILS INSURED		BASIC	BROAD	SPECIAL
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$		YES	NO	DED:
<input checked="" type="checkbox"/> BUSINESS INCOME	<input type="checkbox"/> RENTAL VALUE	X		Actual Loss Sustained; # of months:
BLANKET COVERAGE		X		If YES, indicate value(s) reported on property identified above: \$
TERRORISM COVERAGE			X	Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?			X	
IS DOMESTIC TERRORISM EXCLUDED?			X	
LIMITED FUNGUS COVERAGE		X		If YES, LIMIT: 100,000 DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)			X	
REPLACEMENT COST		X		
AGREED VALUE			X	
COINSURANCE		X		If YES, %
EQUIPMENT BREAKDOWN (If Applicable)		X		If YES, LIMIT: Included DED: 50,000
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		X		If YES, LIMIT: 25,000,000 DED: 50,000
- Demolition Costs		X		If YES, LIMIT: Included DED: 50,000
- Incr. Cost of Construction		X		If YES, LIMIT: Included DED: 50,000
EARTH MOVEMENT (If Applicable)		X		If YES, LIMIT: DED:
FLOOD (If Applicable)		X		If YES, LIMIT: 5,000,000 DED: 250,000
WIND / HAIL (If Subject to Different Provisions)		X		If YES, LIMIT: DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		X		
			X	
CANCELLATION				
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.				
ADDITIONAL INTEREST HV				
<input checked="" type="checkbox"/> MORTGAGEE	CONTRACT OF SALE		LENDER SERVICING AGENT NAME AND ADDRESS	
<input checked="" type="checkbox"/> LENDERS LOSS PAYABLE				
NAME AND ADDRESS 426420 MidCap Financial, LLC, MidCap Funding RE Holdings, LLC, AISAOA, ATIMA, Attn: Loan Servicing 7255 Woodmont Ave., Ste. 200 Bethesda MD 20814		AUTHORIZED REPRESENTATIVE 		

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EVIDENCE OF COMMERCIAL PROPERTY INSURANCE-Including Special Conditions (Use only if more space is required)

EQSL Included - \$100,000 Deductible, Extended period of indemnity equal to 365 days; applies to business income coverage at both locations.

ACORD 28 (2011/11)

Certificate Holder ID: 426420



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)
7/23/2013

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

PRODUCER NAME, CONTACT PERSON AND ADDRESS Lockton Insurance Brokers, LLC 725 S. Figueroa Street, 35th Fl. CA License #0F15767 Los Angeles CA 90017		PHONE (A/C, No, Ext): (213) 689-0065	COMPANY NAME AND ADDRESS Travelers Property Casualty Insurance Co		NAIC NO: 36161
FAX (A/C, No): (213) 689-0550	E-MAIL ADDRESS:		IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
CODE: TRIC106	SUB CODE:		POLICY TYPE Property		
AGENCY CUSTOMER ID #: NAMED INSURED AND ADDRESS 1109333 Tri-City Healthcare District A California Local Healthcare District On behalf of Tri-City Medical Center 4002 Vista Way Oceanside CA 92056			LOAN NUMBER	POLICY NUMBER KTJ-CMB-3D90626-4-13	
ADDITIONAL NAMED INSURED(S)			EFFECTIVE DATE 7/1/2013	EXPIRATION DATE 7/1/2014	<input type="checkbox"/> CONTINUED UNTIL <input type="checkbox"/> TERMINATED IF CHECKED
			THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required) ☒ BUILDING OR ☒ BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION (01) 4002 Vista Way Oceanside, CA 92056	Building: \$121,691,159; BPP: \$53,465,015; BI: \$109,417,475
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.	

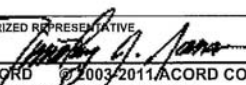
COVERAGE INFORMATION	PERILS INSURED	BASIC	BROAD	X	SPECIAL	DED:
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$		YES	NO	N/A		
<input checked="" type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE		X				If YES, LIMIT: See Above Actual Loss Sustained; # of months:
BLANKET COVERAGE		X				If YES, indicate value(s) reported on property identified above: \$
TERRORISM COVERAGE			X			Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?		X				
IS DOMESTIC TERRORISM EXCLUDED?		X				
LIMITED FUNGUS COVERAGE		X				If YES, LIMIT: 100,000 DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)			X			
REPLACEMENT COST		X				
AGREED VALUE			X			
COINSURANCE		X				If YES, %
EQUIPMENT BREAKDOWN (If Applicable)		X				If YES, LIMIT: Included DED: 50,000
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		X				If YES, LIMIT: 25,000,000 DED: 50,000
- Demolition Costs		X				If YES, LIMIT: Included DED: 50,000
- Incr. Cost of Construction		X				If YES, LIMIT: Included DED: 50,000
EARTH MOVEMENT (If Applicable)			X			If YES, LIMIT: DED:
FLOOD (If Applicable)		X				If YES, LIMIT: 5,000,000 DED: 250,000
WIND / HAIL (If Subject to Different Provisions)			X			If YES, LIMIT: DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		X				
			X			

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

HV

<input type="checkbox"/> MORTGAGE	<input type="checkbox"/> CONTRACT OF SALE	LENDER SERVICING AGENT NAME AND ADDRESS
<input type="checkbox"/> LENDERS LOSS PAYABLE		
NAME AND ADDRESS 427349 MidCap Financial, LLC MidCap Funding RE Holdings, LLC, AISAOA, ATIMA, Attn: Loan Servicing 7255 Woodmont Avenue, Suite 200 Bethesda MD 20814		AUTHORIZED REPRESENTATIVE 

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/8/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Insurance Brokers, LLC 725 S. Figueroa Street, 35th Fl. CA License #0F15767 Los Angeles CA 90017 (213) 689-0065	CONTACT NAME: PHONE (A/C, No. Ext): FAX (A/C, No.): E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Insurance Company INSURER B: Darwin Select Insurance Company INSURER C: Safety National Casualty Corporation INSURER D: INSURER E: INSURER F:	
INSURED 1368795 Tri-City Healthcare District A California Local Healthcare District on behalf of Tri-City Medical Center Tri-City Wellness LLC 4002 Vista Way Oceanside, CA 92056	NAIC # 18058 24319 15105	

COVERAGES TRIC06 CERTIFICATE NUMBER: 12447360 REVISION NUMBER: XXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	Y	N	0308-4674	7/1/2013	7/1/2014	EACH OCCURRENCE \$ 20,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ XXXXXXXX MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ Included GENERAL AGGREGATE \$ 20,000,000 PRODUCTS - COMPIOP AGG \$ Included
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Y	N	PHPK1043416	7/1/2013	7/1/2014	COMBINED SINGLE LIMT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
	UMBRELLA LIAB EXCESS LIAB <input type="checkbox"/> OCCUR CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/>			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/EMPLOYEE EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	NOT APPLICABLE			WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX
B C	Professional Liability XS WC	N	N	0308-4674 SP 4047849	7/1/2013 1/1/2013	7/1/2014 1/1/2015	\$20M Per Claim - \$20M Agg EE. L \$1M OCC E.L. \$1M AGG WC - Statutory Limits

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
*Professional Liability Retro Date 5/1/85. RE: Certificate holder is included as Additional Insured with respect to liability coverages.

CERTIFICATE HOLDER

12447360

MidCap Financial, LLC,
MidCap Funding RE Holdings, LLC, AISAOA, ATIMA,
Attn: Loan Servicing
7255 Woodmont Ave., Ste. 200
Bethesda MD 20814

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2010/05)

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SCHEDULE 4.9

1. LIST OF ALL MATTERS EXISTING AS OF THE CLOSING DATE FOR WHICH NOTICE COULD BE REQUIRED UNDER THIS SECTION:

A. BANK OF THE WEST CASH SECURED TERM LOAN DOCUMENTS

2. LIST OF ALL LITIGATION OR GOVERNMENTAL PROCEEDINGS PENDING OR THREATENED (IN WRITING) AGAINST BORROWERS OR OTHER CREDIT PARTY AS OF THE CLOSING DATE

Identification	General Category	Status
1. Hammes Company Healthcare, LLC - Case Title: Hammes Company Healthcare, LLC et al. v. Tri-City Healthcare District et al.; Case No. 3:09-cv-02324-JLS-CAB (related to Tri-City Healthcare District v. HC Tri-City I, LLC et al.; Case No. 3:09-cv-02334-JLS-CAB))	Breach of contract. The plaintiff contracted with TCMC to build a medical office building on the TCMC campus. It was never built. Plaintiff sued for breach of contract among other things, but the only claim left is for breach for contract.	On-going litigation. Bench trial scheduled to commence August 12, 2013.
2. The matter disclosed to Agent by Dentons, counsel to TCMC, in that certain telephone conference on July 22, 2013 among TCMC, Dentons, MCF and Bingham McCutchen LLP, counsel to MCF (the " <u>Disclosed Matter</u> ").		
3. Jennifer Randall v. TCMC, et al., Case No. 37-2013-0036540-CU-CR-NC, filed in the San Diego Superior Court, North County	Plaintiff, who was wheelchair bound, was injured on a curb at the Wellness Center and has alleged violations of the Americans with Disabilities Act ("ADA").	On-going litigation. As a result of this litigation, TCMC may incur costs to make repairs to the Wellness Center to address any ADA violations, if applicable.

SCHEDULE 5.1

DEBT; CONTINGENT OBLIGATIONS

SCHEDULE 5.1(A) – DEBT EXISTING ON THE DATE OF THIS AGREEMENT

Debt & Capital Lease Roll-forward
As of May 31, 2013

Short Term Debt

WP Ref	Description	Beginning Balance 6/30/12	Additions	Deletions	Other Allocation	Ending Balance 05/31/13
201100	Equipment Note payable (BOW)	200,803	1,438,317	(1,518,989)		120,131
201101	Promissory (Infusion Center)	-	1,117,376	(91,105)		1,026,271
	Total Note Payable	200,803	2,555,693	(1,610,094)	-	1,146,403
210801	Current portion Capital Lease	2,105,840			(211,619)	1,894,221
210904	E- Payble Liability	-	1,169,921			1,169,921
210901	Term loan (due 07/04/2013 @1.048%)	51,000,000	-	-	-	51,000,000
210902	Line of credit (due 07/04/2013 @1.948%)	4,800,000	19,000,000	(17,000,000)	-	6,800,000
	Total short-term debt	57,905,840	20,169,921	(17,000,000)	(211,619)	60,864,142

Long Term Debt

WP Ref	Description	Beginning Balance 6/30/12	Additions	Deletions	Other Allocation	Ending Balance 5/31/13
223100	Equipment Note payable (BOW)	863,769	756,650			1,620,419
223101	LT Promissory Note (Infusion Center)	-	2,400,124			2,400,124
	Total LT Debt Net of Current	863,769	3,156,774	-	-	4,020,543
224002	Equipment Lease Obligation	6,512,987		(1,948,765)		4,564,222
224800	Current Portion Capital Lease	(2,105,840)			211,619	(1,894,221)
227002	Capital lease obligations	34,488,542	372,457		-	34,860,998
	Total Capital Lease Obligation	38,895,689	372,457	(1,948,765)	211,619	37,531,000
	Total long-term debt	39,759,458	3,529,231	(1,948,765)	211,619	41,551,543

Capital Lease

WP Ref	Description	Balance at 7/1/2012	Additions	Payments	Balance at 5/31/2013	Current Portion
	Stryker - 142723(224002)	209,362	-	(209,362)	-	
	Stryker - 61239301 (224002)	12,643	-	(12,643)	-	
	Stryker - 51942 (224002)	52,862	-	(52,862)	-	
	Phillips - 1-N5MCFJ(224002)	50,345	-	(42,410)	7,935	11,877
	Celtic (224002)	378,597	-	(185,299)	193,298	210,469
	Kingsbridge - Cerner30(224002)	3,423,878	-	(970,792)	2,453,086	1,126,168
	Kingsbridge - 03(224002)	207,284	-	(40,079)	167,205	46,730
	Insight- ME-1(224002)	2,178,015	-	(435,318)	1,742,698	499,472
	Wellness Center (227002)	34,488,542	372,455		34,860,996	
	Total Capital Lease	41,001,529	372,455	(1,948,765)	39,425,218	1,894,715

Schedule 5.1

Issuer	Account #	Purchase Date	Maturity Date	Current Yield	Amount	Purpose
BOW	14502-00061	02/07/13	08/06/13	0.170	125,000	Workcomp Fund
BOW	14509-00091	01/17/13	01/17/14	0.360	605,000	Workcomp Fund

1. Municipal Lease Purchase Agreement, No. 100-0020330-003, dated November 23, 2012, between Borrower and Bank of the West Equipment Finance. The principal amount is \$1,997,532.

SCHEDULE 5.2 – 1

2. Secured Promissory Note, dated April 12, 2013, executed by Borrower in the original principal amount of \$3,517,500 payable to North County Oncology Medical Clinic, Inc. Security Agreement, dated as of April 12, 2013, by and between North County Oncology Medical Clinic, Inc. and Borrower.
3. Secured Promissory Note, dated April 12, 2013 in the original principal amount of \$3,517,500, issued by Borrower in favor of North County Oncology Medical Clinic, Inc., which is secured by that certain Security Agreement, dated as of April 12, 2013, between Borrower and North County Oncology Medical Clinic, Inc.
4. Letter of Credit No. MB60514707, in the amount of \$605,000, issued by Bank of the West which expires on 3/31/2014 and all documents and agreements executed in connection therewith including, without limitation, that certain Application and Agreement for Standby Letter of Credit, dated as of January 23, 2012 and that certain Security Agreement (Certificate of Deposit), dated as of April 5, 2012, between Borrower and Bank of the West.
5. Letter of Credit No. MB60514645, in the amount of \$125,000, issued by Bank of the West which expires on 2/12/2014 and all documents and agreements executed in connection therewith including, without limitation, that certain Application and Agreement for Standby Letter of Credit, dated as of February 8, 2012 and that certain Security Agreement (Certificate of Deposit), dated as of February 8, 2012, between Borrower and Bank of the West.
6. Equipment Lease Agreement, No. 61239301, dated September 25, 2009, between Borrower and Stryker Finance and all schedules, riders, amendments and addenda thereto. Total lease amount \$67,731.
7. Equipment Lease Agreement, No.5-1942, dated September 25, 2009, between Borrower and Stryker Finance and all schedules, riders, amendments and addenda thereto. Total lease amount \$283,185.
8. Equipment Lease Agreement, No. 14-2723, dated March 31, 2010, between Borrower and Stryker Finance and all schedules, riders, amendments and addenda thereto. Total lease amount \$836,896.
9. Master Lease No. CML-2615A, between Celtic Leasing Corp and Borrower and all schedules, riders and addenda thereto. Total lease amount \$636,328.
10. Commercial Card Agreement, dated as of June 21, 2012, between Bank of the West and Borrower and all amendments, appendices thereto and other agreements executed in connection therewith including, without limitation Amendment to Commercial Card Agreement, dated as of August 25, 2012, between Bank of the West and Borrower. Credit limit amount \$1,500,000.
11. Master Lease Agreement No. 7054, dated as of August 4, 2011, between Insight Investments, LLC and Borrower and all schedules, riders, amendments and addenda thereto, including, without limitation, Schedule No. ME-1. Total lease amount \$2,554,284.
12. Lease Agreement, dated as of June 16, 2012 between Kingsbridge Healthcare Finance, a division of Kingsbridge Holdings, LLC and Borrower and all schedules, riders, amendments and addenda thereto including, without limitation, Schedule No. 001, dated June 16, 2010 and Schedule No. 003, dated October 6, 2011. Schedule No. 003 has a total lease amount of \$238,375.

13. Lease Agreement, dated as of February 18, 2010, between Phillips Medical Capital and Borrower and all schedules, riders, amendments and addenda thereto, including, without limitation, Schedule No. 1.
14. Credit Agreement, dated as of April 2, 2012, among Borrower, Bank of the West, as Administrative Agent, Swing Line Lender and L/C Issuer, and Co-Joint Lead Arranger, Compass Bank, Co-Joint Lead Arranger and Documentation Agent, and the other Lenders party thereto and all promissory notes and other agreements executed in connection therewith, including, without limitation, that certain Term Note, dated April 2, 2012, made by Borrower in the original principal amount of \$25,500,000 payable to the order of Bank of the West and that certain Term Note, dated April 2, 2012, made by Borrower in the original principal amount of \$25,500,000 payable to the order of Compass Bank.
15. Promissory Note, dated as of November 12, 2012, in the original principal amount of \$3,541,128, made by Borrower and payable to Medical Acquisition Company, Inc.

Note: The revolving line of credit with Bank of the West, and the lease between ECR Corporate Center, L.P., as landlord, and Tri-City, as tenant, will be paid off concurrently with closing and therefore are not identified on the above list.

SCHEDULE 5.1(B)

DEBT EXISTING ON THE DATE OF THIS AGREEMENT INCURRED BY TRI-CITY REAL ESTATE HOLDING AND MANAGEMENT COMPANY LLC:

1. **LOAN AGREEMENT, DATED AS OF DECEMBER 29, 2011, BETWEEN TRI-CITY REAL ESTATE HOLDING AND MANAGEMENT COMPANY LLC AND BANK OF THE WEST; TERM NOTE, DATED DECEMBER 29, 2011, EXECUTED BY TRI-CITY REAL ESTATE HOLDING AND MANAGEMENT COMPANY, LLC PAYABLE TO BANK OF THE WEST IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,000,000. THE PROCEEDS OF THE TERM NOTE WERE USED TO PURCHASE IMPROVED REAL PROPERTY AT 4000 VISTA WAY, OCEANSIDE, CALIFORNIA.**
2. **LOAN AGREEMENT, DATED AS OF DECEMBER 15, 2011, BETWEEN TRI-CITY REAL ESTATE HOLDING AND MANAGEMENT COMPANY LLC AND BANK OF THE WEST; TERM NOTE, DATED DECEMBER 15, 2011, EXECUTED BY TRI-CITY REAL ESTATE HOLDING AND MANAGEMENT COMPANY, LLC PAYABLE TO BANK OF THE WEST IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,000,000. THE PROCEEDS OF THE TERM NOTE WERE USED TO PURCHASE IMPROVED REAL PROPERTY AT 4120 WARING ROAD, OCEANSIDE, CALIFORNIA.**

DEBT EXISTING ON THE DATE OF THIS AGREEMENT INCURRED BY TRI-CITY WELLNESS, LLC:

1. **CREDIT AND SECURITY AGREEMENT, DATED AS OF JULY 29, 2013, BY AND AMONG MIDCAP FINANCIAL, LLC AND TRI-CITY WELLNESS LLC, PURSUANT TO WHICH LOANS WERE MADE TO TRI-CITY WELLNESS, LLC TO PURCHASE CERTAIN REAL PROPERTY. PROMISSORY NOTE, DATED AS OF JULY 29, 2013,**

EXECUTED BY TRI-CITY WELLNESS, LLC IN THE ORIGINAL PRINCIPAL AMOUNT OF \$26,500,000 PAYABLE TO THE ORDER OF MIDCAP FINANCIAL, LLC, DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING, DATED AS OF JULY 29, 2013, EXECUTED BY TRI-CITY WELLNESS, LLC, TO _____, AS TRUSTEE, IN FAVOR OF MIDCAP FINANCIAL, LLC, ENVIRONMENTAL INDEMNITY AGREEMENT, DATED AS OF JULY 29, 2013, EXECUTED BY TRI CITY WELLNESS, LLC IN FAVOR OF MIDCAP FINANCIAL, LLC.

DEBT EXISTING ON THE DATE OF THIS AGREEMENT INCURRED BY OPS ENTERPRISES, LLC:

1. CONSTRUCTION LOAN AGREEMENT NO. DATED AS OF OCTOBER 24, 2007, BETWEEN OPS ENTERPRISES, LLC AND IRONSTONE BANK; PROMISSORY NOTE, DATED OCTOBER 24, 2007 FROM OPS ENTERPRISES, LLC AND PAYABLE TO IRONSTONE BANK IN THE ORIGINAL PRINCIPAL AMOUNT OF \$2,450,000; COMMERCIAL SECURITY AGREEMENT, DATED AS OF OCTOBER 24, 2007, BETWEEN OPS ENTERPRISES, LLC AND IRONSTONE BANK (FIRST CITIZENS BANK IS SUCCESSOR TO IRONSTONE BANK BY MERGER).

SCHEDULE 5.2

PERMITTED LIENS

Original Filing #	Location of Filing	File Date	Lapse Date as of date of this certificate	Debtor	Secured Party
05-7036811031	California Secretary of State	08/03/2005	08/03/2015	Tri-City Medical Center	Cardinal Health 200, Inc.
06-7065430293	California Secretary of State	04/05/2006	04/05/2016	Tri-City Healthcare District	Cardinal Health 200, Inc.
07-7099043736	California Secretary of State	01/09/2007	01/09/2017	Tri-City Medical Center	De Lage Landen Financial Services, Inc.
09-7201310821	California Secretary of State	07/02/2009	07/02/2014	Tri-City Medical Center	B. Braun Medical, Inc.
09-7202287229	California Secretary of State	07/14/2009	07/14/2014	Tri-City Medical Center	Cardinal Health 200, Inc.

Original Filing #	Location of Filing	File Date	Lapse Date as of date of this certificate	Debtor	Secured Party
09-7205316003	California Secretary of State	08/07/2009	08/07/2014	Tri-City HealthCare District	TCF Equipment Finance, Inc.
09-7205411564	California Secretary of State	08/10/2009	08/10/2014	Tri-City Healthcare District	MB Financial Bank, N.A.
09-7210269531	California Secretary of State	10/05/2009	10/05/2014	Tri-City Healthcare District	Stryker Sales Corporation
09-7210268883	California Secretary of State	10/05/2009	10/05/2014	Tri-City Healthcare District	Stryker Sales Corporation
2009-0491068	San Diego County Recorder's Office	09/01/2009	10/05/2014	Tri-City Hospital District	MB Financial Bank, N.A.
2009-0454011	San Diego County Recorder's Office	8/13/2009	8/13/2014	Tri-City Healthcare District	Wells Fargo Equipment Finance, Inc.
10-7228670740	California Secretary of State	04/12/2010	04/12/2015	Tri-City Healthcare District	Med One Capital Funding, LLC; Republic Bank
10-7235459965	California Secretary of State	06/16/2010	06/16/2015	Tri-City Healthcare District	Philips Medical Capital
10-7237705759	California Secretary of State	07/08/2010	07/08/2015	Tri-City Healthcare District	MB Financial Bank, N.A. (Assignee) Kingsbridge Holdings, LLC (Assignor)
10-7244225552	California Secretary	09/03/2010	09/03/2015	Tri-City Healthcare	TCF Equipment

Original Filing #	Location of Filing	File Date	Lapse Date as of date of this certificate	Debtor	Secured Party
	of State			District	Finance, Inc.
11-7281748695	California Secretary of State	08/22/2011	08/22/2016	Tri-City Healthcare District	TCF Equipment Finance, Inc. (Assignee)
11-7288090208	California Secretary of State	10/17/2011	10/17/2016	Tri-City Healthcare District	Hitachi Capital America Corp. (Assignee) Kingsbridge Holdings, LLC (Assignor)
11-7291251584	California Secretary of State	11/10/2011	11/10/2016	Tri-City Healthcare District	Hitachi Capital America Corp. (Assignee) Kingsbridge Holdings, LLC (Assignor)
12-7297347719	California Secretary of State	01/13/2012	01/13/2017	Tri-City Healthcare District	Insight Investments, LLC
12-7316460838	California Secretary of State	06/07/2012	06/07/2017	Tri-City Healthcare District	Bank of the West
12-7317927271	California Secretary of State	06/21/2012	06/21/2017	Tri-City Healthcare District	Hitachi Capital America Corp. (Assignee) Kingsbridge Holdings, LLC (Assignor)
13-7343731547	California Secretary of State	01/07/2013	01/07/2018	Tri-City Healthcare District	Nova Biomedical
13-7344874960	California Secretary of State	01/15/2013	01/15/2018	Tri-City Healthcare District	Bank of the West

Original Filing #	Location of Filing	File Date	Lapse Date as of date of this certificate	Debtor	Secured Party
13-7345974497	California Secretary of State	01/24/2013	01/24/2018	Tri-City Healthcare District	Siemens Diagnostics Finance Co. LLC
13-7361018848	California Secretary of State	05/17/2013	05/17/2018	Tri-City Healthcare District	Siemens Diagnostics Finance Co. LLC

Additional Permitted Liens:

- (a) Liens on the Pledged Cash Collateral Accounts and the funds credited thereto or otherwise maintained therein;
- (b) Liens on any membership or other equity interests in Wellness LLC, Real Estate LLC and
- (c) Liens on any of the “Assets” as acquired by TCMC pursuant to (and as described and as such term is define in Section 1.1 of) that Asset Purchase Agreement dated as of August 3, 2012 among TCMC, as buyer, North County Oncology Medical Clinic, Inc., as seller, and certain other parties to the extent Debtor’s right, title or interest in such Assets is subject to a contractual restriction on assignment such that the creation of a security interest in the right, title or interest of Debtor therein would be prohibited; provided that the foregoing exclusion shall not apply if such prohibition would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC or any other applicable Law; provided further that immediately upon the ineffectiveness, lapse or termination of any such provision, Debtor shall be deemed to have granted a security interest in all its right, title and interest in and to such Assets to the extent constituting Collateral pursuant to any of the preceding clauses (a) through (f); and provided further that the foregoing exclusions shall in no way be construed so as to limit, impair or otherwise affect the Secured Party’s continuing security interest in and to all right, title and interest of Debtor in any payment obligations or other rights to receive monies due or to become due under any such Assets.
- (d) Liens granted pursuant to that certain Commercial Security Agreement, dated as of October 24, 2007, between OPS Enterprises, LLC and Ironstone Bank (First Citizens Bank is the successor to Ironstone Bank by merger) in connection with a construction loan made to OPS Enterprises LLC, which Liens covered only assets of OPS Enterprises.

SCHEDULE 5.7

PERMITTED INVESTMENTS

Investments in the following entities:

Tri-City Real Estate Holding and Management Company LLC, a California limited liability company
Tri City Wellness, LLC, a California limited liability company)
North Coast Medical ACO, Inc., a California corporation
Tri-City Medical Center Cardiovascular Institute, LLC, a California limited liability company
Tri-City Medical Center ASC Operators, LLC, a California limited liability company
North Coast Surgery Center Ltd., a California limited partnership
Tri-City Medical Center Orthopedic Institute, LLC
OPS Enterprises, LLC, a California limited liability company
Tri-City Imaging, LLC, a California limited liability company
TCI Regents Imaging, LLC, a California limited liability company

SCHEDULE 5.8

TRANSACTIONS WITH AFFILIATES

Parties to Contract	Title and Date of Contract	Annual Rent for Leases
Tri-City Real Estate Holding and Management Company LLC, a California limited liability company (as Landlord) and TCMC (as Tenant)	Lease Agreement, dated December 29, 2011, for 4000 Vista Way, Oceanside, CA.	
Tri-City Real Estate Holding and Management Company LLC, a California limited liability company (as Landlord) and TCMC (as Tenant)	Lease Agreement dated December 19, 2011, for 4120 Waring Road, Oceanside, CA.	
Tri-City Wellness, LLC, a California limited liability company (as Landlord) and TCMC (as Tenant)	Lease Agreement dated June 30, 2013, for 6250 and 6260 El Camino Real, Carlsbad, California 92009	Base Rent: \$225,517 per month escalating each year to \$341,115 in year 15 pursuant to Addendum, dated June 30, 2013 (triple net)
TCMC and Tri-City Medical Center Orthopedic Institute, LLC	Co-Management Agreement dated October 28, 2010	
TCMC and Tri-City Medical Center Cardiovascular Institute, LLC	Co-Management Agreement, dated as of February 18, 2013	
TCMC and North County Oncology Medical Clinic, Inc.	Secured Promissory Note, dated April 12, 2013 in the original principal amount of \$3,517,500	
TCMC and North County Oncology Medical Clinic, Inc.	Security Agreement, dated as of April 12, 2013	
TCMC, North County Oncology Medical Clinic, Inc., David Oblon, M.D., Warren Paroly, M.D. and Nayyar Siddique, M.D.	Asset Purchase Agreement, dated as of August 3, 2012	
PET Imaging of North County, LLC; Tri-City Imaging, LLC	Option Agreement, dated as of May 31, 2013, between TCI Regents Imaging, LLC, PET Imaging of North County, LLC (" <u>PET</u> ") and TCMC. Asset Contribution Agreement, dated June 1, 2013, between Tri-	

Parties to Contract	Title and Date of Contract	Annual Rent for Leases
	<p>City Imaging, LLC, PET and TCMC.</p> <p>Administrative Services Agreement, between San Diego Diagnostic Radiology Medical Group, Inc. dba San Diego Imaging and TCI Regents Imaging, LLC.</p> <p>Imaging Center Personnel Lease, dated as of June 1, 2013, by and between TCI Regents Imaging, LLC and PET.</p> <p>Asset Contribution Agreement, dated as of June 1, 2013, between TCI Regents Imaging, LLC, PET and Tri-City Imaging, LLC.</p> <p>Agreement for the Purchase and Sale of Assets, between and among PET and TCMC</p> <p>Agreement to Extend the Commencement Date of TCI Regents Transaction Agreements, by and among, PET, TCMC, Tri-City Imaging, LLC, TCI Regents Imaging, LLC and San Diego Diagnostic Radiology Medical Group, Inc.</p> <p>On or about August 1, 2013, PET and TCMC will contribute assets for the formation of TCI Regents Imaging, LLC (“<u>Regents</u>”) who will operate the imaging center at 3909 Waring Road, Oceanside, California. PET will sell a 20% interest in Regents to Borrower and Borrower will simultaneously contribute this 20% to Tri-City Imaging, LLC. PET will contribute 20% interest in Regents to Tri-City Imaging, LLC. This will result in TCI holding 40% of Regents, PET retaining 60%. PET</p>	

Parties to Contract	Title and Date of Contract	Annual Rent for Leases
	and TCI will then contribute all of their interests in Regents to form TCI Regents Imaging, LLC resulting in PET owning 60% and TCI owning 40% of TCI Regents Imaging, LLC. Since Borrower is a 50% owner of Tri-City Imaging, LLC, Borrower will effectively have a 20% interest (50% x 40%) in TCI Regents Imaging, LLC upon closing of this transaction.	

In addition, Borrower receives cash distributions of varying amounts from time to time from Tri-City Medical Center North Coast Surgery Center, Tri-City Medical Center Cardiovascular Institute, LLC, Tri-City Medical Center Orthopedic Institute, LLC, and OPS Enterprises LLC.

SCHEDULE 5.14

ALL DEPOSIT ACCOUNTS AND SECURITIES ACCOUNTS

1. Borrower maintains the following deposit accounts (including demand, time, savings, passbook or similar accounts) with depository banks:

Name and Address of Depository Institution	Type of Account/Purpose	Account No.
Bank of America	Deposit Account – Government	1450-5-50416
Bank of America	Deposit Account-Non-Government	14597-34256
Bank of the West	Deposit Account Government	023-669051
Bank of the West	Deposit Account Non-Government	023-669242
Bank of the West	Concentration/Checking	023-668954
Bank of the West	Account Payable/Checking	023-669002
Bank of the West	Payroll/Checking	023-668921
Bank of the West	Manage Care OON Claim/Checking	023-669291
Bank of the West	Wellness Center/Checking	026-417709
Bank of the West	Construction Fund – MOB	025-899351
Bank of the West	REH & Management/Checking	026-043828
Bank of the West	North Coast Medical ACO Inc./Checking	026-598284
Bank of the West	Revolving Line of Credit	10-6030879-59
Bank of the West	Term Loan	10-6030879-42
Bank of the West	Non-Negotiable CE/WC Letter of Credit	106836
Bank of the West	Non-Negotiable CE/WC Letter of Credit	109026
Bank of the West	Non-Negotiable CE/Term Loan Collateral	115661
BBVA Compass	Non-Negotiable CE/Term Loan Collateral	1008898825
Wells Fargo	ACHD – Work Comp	0601-040413
City National Bank	Construction Fund/TI for Wellness Center Complex	23867214

Schedule 5.1

Issuer	Account #		Purchase Date	Maturity Date	Current Yield	Amount	Purpose
BOW	14502-00061	Workcomp Letter of Credit CD (2003)	02/07/13	08/06/13	0.170	125,000	Workcomp Fund
BOW	14509-00091	Workcomp Letter of Credit CD (2004)	01/17/13	01/17/14	0.360	605,000	Workcomp Fund

2. Borrower beneficially owns “investment property” in the following securities accounts held with securities intermediaries:

Name and Address of Securities Intermediary	Type of Account/Purpose	Account No.
LAIF	Investment	20-37-005

SCHEDULE 8.2(A)

LICENSING

License: 080000099
Effective: 04/09/2013
Expires: 10/31/2013
Licensed Capacity: 397

State of California

Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Tri-City Hospital District

to operate and maintain the following **General Acute Care Hospital**

TRI CITY MEDICAL CENTER

4002 Vista Way
Oceanside, CA 92056-4506

Bed Classifications/Services

368 General Acute Care
38 Perinatal Services
20 Intensive Care Newborn Nursery
14 Coronary Care
14 Intensive Care
10 Rehabilitation Center
272 Unspecified General Acute Care
29 Acute Psychiatric (D/P)

Other Approved Services

Basic Emergency
Cardiac Catheterization Laboratory Services
Cardiovascular Surgery
Nuclear Medicine
Occupational Therapy at 161 THUNDER
DRIVE, SUITE 103 & SUITE 111, VISTA
Occupational Therapy at 6250 EL CAMINO
REAL, CARLSBAD
Outpatient Services - Behavioral Health at 510
W Vista Way, Vista
Outpatient Services - FORENSIC UNIT at
3925 WARING ROAD #C, OCEANSIDE
Outpatient Services - Infusion Center at 3617
Vista Way, Oceanside
Outpatient Services - Laser & Aesthetics at
6260 El Camino Real, Carlsbad
Outpatient Services -
MAMMOGRAPHY/FLOUROSCOPY/XRAY
at 4002 VISTA WAY, OCEANSIDE
Outpatient Services - MRI at 2095 W. VISTA
WAY SUITE 111, VISTA
Outpatient Services - Rehabilitation at Tri-City
Medical Center, 4002 VISTA WAY,
OCEANSIDE
Outpatient Services - REHABILITATION
CENTER at 6250 EL CAMINO REAL,
CARLSBAD

(Additional Information Listed on License Addendum)

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, San Diego North District Office, 7575 Metropolitan Drive, Suite 104, San Diego, CA 92108, (619)278-3700

POST IN A PROMINENT PLACE

State of California
Department of Public Health
License Addendum

License: 080000099
Effective: 04/09/2013
Expires: 10/31/2013
Licensed Capacity: 397

TRI CITY MEDICAL CENTER (Continued)

4002 Vista Way
Oceanside, CA 92056-4506

Other Approved Services (cont'd)

Outpatient Services - WOUND CARE &
HYPERBARIC MED at 6260 EL CAMINO
REAL, CARLSBAD

Outpatient Services - Wound Care &
Hyperbaric Med. at 161 THUNDER DR.,
STE. 112, VISTA

Physical Therapy at 161 THUNDER DRIVE,
SUITE 103 & 111, VISTA

Physical Therapy at 6250 EL CAMINO REAL,
CARLSBAD

Radiological Services - Imaging at Tri-City
Medical Center, 2095 WEST VISTA WAY,
SUITE 101 VISTA

Respiratory Care Services

Social Services

Speech Pathology at 161 THUNDER DRIVE,
SUITE 103 & 111, VISTA

Approved Other Certifiable Parts

Prospective Payment System - Rehabilitation Unit

TRI-CITY MEDICAL CENTER
4002 Vista Way
Oceanside, CA 92056-4506

This **LICENSE** is not transferable and is granted solely upon the following conditions, limitations and comments:

LITHOTRIPSY

16 PERINATAL BEDS AS LDRP & ROOMS 17 & 18 AS LDR; OUTPATIENT MRI / CT SCAN

MOBILE POSITRON TOMOGRAPHY

Ron Chapman, MD, MPH

Director & State Health Officer

X. Moxel, HFES, for

Carol J. Littler, RN, District Manager

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and
Certification, San Diego North District Office, 7575 Metropolitan Drive, Suite 104, San Diego, CA 92108,
(619)278-3700

POST IN A PROMINENT PLACE

SCHEDULE 8.2(B)

EXCEPTIONS TO HEALTHCARE REPRESENTATIONS AND WARRANTIES

The Disclosed Matter.

SCHEDULE 9.2

A. LOCATION OF COLLATERAL

1. The chief executive office of each Borrower is located at the following address:

Tri-City Hospital District
4002 Vista Way
Oceanside, CA 92056

2. The following is a list of all locations not identified in Item 1, above, where Borrower maintains its books and records relating to the collateral described herein:

Address	Owned/Leased/Operated by Third Party
2095 West Vista Way Suites 101-111, 212-215, 217 & 219-221 Vista, CA 92083	Tri-City Healthcare District owns suites at this location and leases Suite 106.
510 West Vista Way Suite 510 Vista, CA 92083	Leased from Third-Party
161 Thunder Drive Suite 111 & 112 Vista, CA 92083	Leased from Third-Party
3327 Fernside Blvd. Alameda, CA 94501	Operated by Third-Party (records location)
6935 Flanders Drive San Diego, CA 92121	Operated by Third-Party (records location)
3927 Waring Road, Suite D Oceanside, CA 92056	Leased from Third-Party
1211 W. Vista Way Vista, CA 92083	Leased from Third-Party
3617 Vista Way, Bldg 5 Oceanside, CA 92056	Leased from Third-Party
3925 Waring Rd Oceanside CA 92056	Own

3. The following is a list of all locations where any of the collateral comprising goods, including inventory, equipment or fixtures, is located:

Address	Brief Description of Assets at such Location
4002 Vista Way Oceanside, CA 92056	Assets of a general acute care hospital and other ancillary healthcare services and programs

Address	Brief Description of Assets at such Location
2095 West Vista Way Suites 101-111, 212-215, 217 & 219-221 Vista, CA 92083	Assets of outpatient radiology, marketing, community outreach, outpatient laboratory and home, health
510 West Vista Way Suite 510 Vista, CA 92083	Assets of outpatient behavioral health program
161 Thunder Drive Suite 111& 112 Vista, CA 92083	Assets of outpatient rehabilitation services program and wound care
6250 and 6260 El Camino Real Carlsbad, CA 92009	Assets of Wellness Center
3927 Waring Road, Suite D Oceanside, CA 92056	Assets of performance improvement department
1211 W. Vista Way Vista, CA 92083	Assets of Human Resources department
3617 Vista Way, Bldg 5 Oceanside, CA 92056	Assets of Chemotherapy/Infusion Oncology program
3925 Waring Rd Oceanside CA 92056	Assets of OP Forensics program, Managed Care dept. and Business Development dept.
4120 Waring Road Oceanside, CA 92056	Assets for medical facility for Tri-City's physicians and patients.

4. The following is a list of all real property owned of record by Borrower, including property owned individually, jointly or in co-tenancy:

County and State	Address
San Diego County, California	4002 Vista Way Oceanside, CA 92056
San Diego County, California	2095 West Vista Way Suites 101-105, 107-111, 212-215, 217 & 219-221 Vista, CA 92083
San Diego County, California	3925 Waring Road Oceanside, CA 92056
San Diego County, California	Three lots located at the northeast corner of Thunder and Waring Road, APNs 166-500-33, 34 and 35. (Currently vacant land with no street address.)
[Footnote: THIS LIST DOES NOT INCLUDE PROPERTY OWNED BY SUBSIDIARIES/AFFILIATES]	

5. The following is a list of all leases pursuant to which real property is leased or subleased by or to any Borrower, include the name of each of the parties to each Lease as it appears on the Lease, the effective date of such lease, the address of the relevant premises under such Lease:

Lease/Sublease	Description of Leased Premises
Lease between Five K Family Trust, a California trust (as Lessor) and Tri-City Healthcare District (as Tenant), dated January 25, 2002, and addenda thereto.	510 West Vista Way Suite 510 Vista, CA 92083
Lease between Vista-I, a California General Partnership (as Landlord) and Tri-City Hospital District Rehab Services (as Tenant), dated August 10, 1992, and addenda thereto.	161 Thunder Drive Suite 111 & 112 Vista, CA 92083
Lease between Gary A Colner and Kathryn Ainsworth-Colner family trust (as Lessor) and Tri City Health Care District (as Lessee), dated July 22, 2009.	2095 West Vista Way, Suite 106 Vista, CA 92083
Lease between Leonard P. Mellgren and G.M. Sally Mellgred doing business as MELLCO, a California General Partnership (as Lessor) and Tri-City Medical Center (as Lessee), dated October, 2009.	3927 Waring Road, Suite D Oceanside, CA 92056
Lease between Medical Acquisition Co., Inc, a California corporation (as Landlord) and Tri-City Hospital District Human Resources Dept. (as Tenant), dated April 1, 2011	1211 West Vista Way Vista, CA 92083
Lease between OPS Enterprises, LLC, a California limited liability company (as Landlord) and Tri-City Healthcare District OP Oncology services (as Tenant), dated October 1, 2012	3617 Vista Way, Bldg 5 Oceanside, CA 92056
Lease between Investors Property Mgmt., c/o Levitt Family Trust (as Landlord) and Tri City Health Care District (as Lessee), dated September 1, 2012	2124 E. El Camino Real, Suite 100 Oceanside, CA 92054
Lease between Golden Eagle Mgmt. Assoc., a California General Partnership (as Landlord) and Tri-City Hospital District (as Tenant), dated May 1, 2013	3861 Mission Ave, Suite B25 Oceanside, CA 92054
Lease between Ridgeway/Bradford, a California Limited Partnership (as Landlord) and Tri-City Healthcare District (as Tenant), dated March 4, 2013	510 Hacienda Dr., Suite 108-A Vista, CA 92081
Lease between Tri-City Real Estate Holdings and Management Company LLC, a California limited liability company (as Landlord) and Tri-City Healthcare District (as Tenant), dated December 29, 2011.	4000 Vista Way Oceanside, CA 92056
Lease between Tri-City Real Estate Holdings	4120 Waring Road

Lease/Sublease	Description of Leased Premises
and Management Company LLC, a California limited liability company (as Landlord) and Tri-City Healthcare District (as Tenant), dated December 19, 2011	Oceanside, CA 92056
Single Tenant Lease Agreement, dated February 26, 2007; between ECR Corporate Center, L.P., a California limited partnership (as Landlord) and Tri-City Healthcare District (as Tenant; as amended by First Amendment to Single Tenant Lease Agreement, dated July 1, 2010, between ECR Corporate Center, L.P. and TCMC and Second Amendment to Single Tenant Lease, dated December 31, 2012, between ECR Corporate Center, L.P. and TCMC	6250 and 6260 El Camino Real Carlsbad, CA 92009
Termination Agreement, dated as of July __, 2013, between ECR Corporate Center, L.P. and Tri-City Wellness, LLC terminating the above referenced Single Tenant Lease Agreement (with some surviving obligations)	6250 and 6260 El Camino Real, Carlsbad, CA 92009
Lease between Tri-City Wellness, LLC, a California limited liability company (as Landlord) and Tri-City Healthcare District (as Tenant), dated June 30, 2013	6250 and 6260 El Camino Real, Carlsbad, CA 92009

SCHEDULE 9.2 (PART A)

THIRTY LARGEST ACCOUNT DEBTORS

The following is a listing of each Borrower's largest thirty (30) non-governmental account debtors (a) during the fiscal year most recently ended and (b) during each of the fiscal quarters previously ended during the current fiscal year:

At 06/30/2012

BCPPZ	BC PRUDENT BUYER PPO	\$2,417,229		x			PO BOX 60007, LOS ANGELES, CA 90060
CHGLZ	MEDI-CAL CHG	\$1,737,135				x	PO BOX 1237, CHULA VISTA, CA 91912
AETHX	AETNA CHOICE MISC	\$1,459,521	x				PO BOX 14079, LEXINGTON, KY 40512
AETHP	AETNA CHOICE PCAMG	\$1,163,203	x				PO BOX 14079, LEXINGTON, KY 40512
BCBPZ	BC/BS Out of State	\$1,097,518		x			PO BOX 1505, RED BLUFF, CA 96080
PHCPZ	PRIVATE HEALTHCARE SYSTEMS	\$1,074,504		x			Multiple addresses
CARLZ	Medi-Cal HMO Care 1st	\$1,028,045				x	601 POTRERO GRANDE DR., MONTEREY PARK, CA 91755
KAIHZ	KAISER HMO	\$981,046	x				PO BOX 7004, DOWNEY, CA 90242 (NORTHERN) PO BOX 12923 OAKLAND, CA 94604
MOLLZ	Molina Healthcare	\$824,352				x	PO BOX 22801, LONG BEACH, CA 90801
HNTSP	HLTH NET SR HMO PCAMG	\$775,840			x		PO BOX 14702, LEXINGTON, KY 40512
HNTLZ	MEDI-CAL HEALTH NET	\$709,974				x	PO BOX 14702, LEXINGTON, KY 40512
AETHT	AETNA CHOICE GTCIPA	\$690,697	x				PO BOX 14079, LEXINGTON, KY 40512
GRPIZ	GROUP PRIVATE INSURANCE	\$683,038	Miscellaneous non-contracted payers				Multiple addresses
CIGHX	CIGNA HMO MISC	\$617,036	x				PO BOX 182223, CHATTANOOGA, TN 37422
BLSHP	BS HMO PCAMG	\$616,380	x				PO BOX 272540, CHICO, CA 95927
SHAHP	Sharp HMO PCAMG	\$602,102	x				PO BOX 939036, SAN DIEGO, CA 92193
SECSB	SECURE HORIZONS SCMG GRAYBILL	\$583,936			x		PO BOX 30968, SALT LAKE CITY, UT 84130

UHCHX	UNITED HEALTHCARE HMO MISC	\$574,481	x				PO BOX 30755, SALT LAKE CITY, UT 84130
SRHSX	SENIOR HMO MISC	\$472,519			x		Multiple addresses
PACHK	PACIFICARE HMO SCRIPPS NORTH COASTAL	\$459,730	x				PO BOX 30968, SALT LAKE CITY, UT 84130
SECSK	SECURE HORIZONS SCRIPPS COASTAL	\$452,890			x		PO BOX 30968, SALT LAKE CITY, UT 84130
HNTHP	HLTH NET HMO PCAMG	\$452,250	x				PO BOX 14702, LEXINGTON, KY 40512
BLCHP	BC CA CARE PCAMG	\$451,220	x				PO BOX 60007, LOS ANGELES, CA 90060
CARSX	CARE 1ST SR MISC	\$444,340			x		PO BOX 4239, MONTEBELLO, CA 90640
BLSPZ	BS OF CA PPO	\$420,168		x			PO BOX 272540, CHICO, CA 95927
BLCSZ	Blue Cross Freedom	\$414,740			x		PO BOX 60007, LOS ANGELES, CA 90060
PACHB	PACIFICARE HMO SCMG GRAYBLL	\$395,079	x				PO BOX 30968, SALT LAKE CITY, UT 84130
CHGLN	CHG - SCPMCS/NCHS	\$393,085				x	PO BOX 1237, CHULA VISTA, CA 91912
CARST	CARE 1ST SR GTCIPA	\$373,572			x		PO BOX 4239, MONTEBELLO, CA 90640
SCNSP	Scan Healthplan PCAMG	\$371,998			x		PO BOX 22698, LONG BEACH, CA 90801

SCHEDULE 9.2 – 6

At 09/30/2012

BCPPZ	BC PRUDENT BUYER PPO	\$2,738,644		x			PO BOX 60007, LOS ANGELES, CA 90060
CHGLZ	MEDI-CAL CHG	\$1,679,893				x	PO BOX 1237, CHULA VISTA, CA 91912
KAIHZ	KAISER HMO	\$1,341,987	x				PO BOX 7004, DOWNEY, CA 90242 (NORTHERN) PO BOX 12923, OAKLAND, CA 94604
BCBPZ	BC/BS Out of State	\$1,147,972		x			PO BOX 1505, RED BLUFF, CA 96080
UHCHX	UNITED HEALTHCARE HMO MISC	\$1,135,065	x				PO BOX 30755, SALT LAKE CITY, UT 84130
AETHX	AETNA CHOICE MISC	\$1,072,432	x				PO BOX 14079, LEXINGTON, KY 40512
GRPIZ	GROUP PRIVATE INSURANCE	\$1,013,258	Miscellaneous non-contracted payers				Multiple addresses
MOLLZ	Molina Healthcare	\$930,201				x	PO BOX 22801, LONG BEACH, CA 90801
HNTSP	HLTH NET SR HMO PCAMG	\$812,317			x		PO BOX 14702, LEXINGTON, KY 40512
CIGHX	CIGNA HMO MISC	\$717,019	x				PO BOX 182223, CHATTANOOGA, TN 37422
CARLZ	Medi-Cal HMO Care 1st	\$713,849				x	601 POTRERO GRANDE DR, MONTEREY PARK, CA 91755
AETHP	AETNA CHOICE PCAMG	\$700,523	x				PO BOX 14079, LEXINGTON, KY 40512
AETHB	AETNA HMO SCMG GRAYBILL	\$603,327	x				PO BOX 14079, LEXINGTON, KY 40512
HNTHP	HLTH NET HMO PCAMG	\$550,668	x				PO BOX 14702, LEXINGTON, KY 40512
SECSB	SECURE HORIZONS SCMG GRAYBILL	\$512,451			x		PO BOX 30968, SALT LAKE CITY, UT 84130
AETHT	AETNA CHOICE GTCIPA	\$502,013	x				PO BOX 14079, LEXINGTON, KY 40512
BLSPZ	BS OF CA PPO	\$500,286		x			PO BOX 272540, CHICO, CA 95927
CHGLN	CHG - SCPMCS/NCHS	\$483,847				x	PO BOX 1237, CHULA VISTA, CA 91912
HNTLZ	MEDI-CAL HEALTH NET	\$471,449				x	PO BOX 14702, LEXINGTON, KY 40512
HNTHT	HLTH NET HMO GTCIPA	\$449,579	x				PO BOX 14702, LEXINGTON, KY 40512
SHAHP	Sharp HMO PCAMG	\$429,062	x				PO BOX 939036, SAN DIEGO, CA 92193
SECSK	SECURE HORIZONS SCRIPPS COASTAL	\$420,019			x		PO BOX 30968, SALT LAKE CITY, UT 84130

SCHEDULE 9.2 – 7

CARST	CARE 1ST SR GTCIPA	\$418,424			x		PO BOX 4238, MONTEBELLO, CA 90640
AETPZ	AETNA PPO/EPO	\$403,076		x			PO BOX 14079, LEXINGTON, KY 40512
BLCSZ	Blue Cross Freedom	\$375,266			x		PO BOX 60007, LOS ANGELES, CA 90060
SRHSX	SENIOR HMO MISC	\$369,577			x		Multiple addresses
BLCHP	BC CA CARE PCAMG	\$361,062	x				PO BOX 60007, LOS ANGELES, CA 90060
BLSHP	BS HMO PCAMG	\$358,520	x				PO BOX 272540, CHICO, CA 95927
SCNSK	SCAN HEALTHPLAN SCRIPPS COASTAL	\$335,371			x		PO BOX 22698, LONG BEACH, CA 90801
BCFPZ	BC FEDERAL EMPLOYEE	\$310,587		x			PO BOX 70000, VAN NUYS, CA 91470

At 12/31/2012

BCPPZ	BC PRUDENT BUYER PPO	\$3,491,550		x			PO BOX 60007, LOS ANGELES, CA 90060
KAIHZ	KAISER HMO	\$1,855,819	x				PO BOX 7004, DOWNEY, CA 90242 (NORTHERN) PO BOX 12923, OAKLAND, CA 94604
AETHX	AETNA CHOICE MISC	\$1,315,166	x				PO BOX 14079, LEXINGTON, KY 40512
CARLZ	Medi-Cal HMO Care 1st	\$1,057,730				x	601 POTRERO GRANDE DR., MONTEREY PARK, CA 91755
GRPIZ	GROUP PRIVATE INSURANCE	\$1,051,645	Miscellaneous non-contracted payers				Multiple addresses
AETHP	AETNA CHOICE PCAMG	\$1,018,411	x				PO BOX 14079, LEXINGTON, KY 40512
HNTSP	HLTH NET SR HMO PCAMG	\$1,015,512			x		PO BOX 14702, LEXINGTON, KY 40512
CHGLZ	MEDI-CAL CHG	\$988,337				x	PO BOX 1237, CHULA VISTA, CA 91912
UHCHX	UNITED HEALTHCARE HMO MISC	\$867,583	x				PO BOX 30755, SALT LAKE CITY, UT 84130
BCBPZ	BC/BS Out of State	\$749,507		x			PO BOX 1505, RED BLUFF, CA 96080
MOLLZ	Molina Healthcare	\$705,744				x	PO BOX 22801, LONG BEACH, CA 90801
BLSPZ	BS OF CA PPO	\$640,013		x			PO BOX 272540, CHICO, CA 95927
BLCHP	BC CA CARE PCAMG	\$625,564	x				PO BOX 60007, LOS ANGELES, CA 90060
CIGHX	CIGNA HMO MISC	\$604,630	x				PO BOX 182223, CHATTANOOGA, TN 37422
PACHB	PACIFICARE HMO SCMG GRAYBLL	\$567,226	x				PO BOX 30968, SALT LAKE CITY, UT 84130
HUMSP	HUMANA SR PCAMG	\$559,359			x		PO BOX 14601, LEXINGTON, KY 40512
PHCPZ	PRIVATE HEALTHCARE SYSTEMS	\$554,379		x			Multiple addresses
SCNSP	Scan Healthplan PCAMG	\$550,335			x		PO BOX 22698, LONG BEACH, CA 90801
SRHSX	SENIOR HMO MISC	\$526,148			x		Multiple addresses
HNTHP	HLTH NET HMO PCAMG	\$505,448	x				PO BOX 14702, LEXINGTON, KY 40512
CARSX	CARE 1ST SR MISC	\$476,390			x		PO BOX 4239, MONTEBELLO, CA 90640
SHAHP	Sharp HMO PCAMG	\$469,205	x				PO BOX 939036, SAN DIEGO, CA 92193

At 03/31/2013

BCPPZ	BC PRUDENT BUYER PPO	\$2,599,371		x			PO BOX 60007, LOS ANGELES, CA 90060
BCBPZ	BC/BS Out of State	\$2,087,608		x			PO BOX 1505, RED BLUFF, CA 96080
CARLZ	Medi-Cal HMO Care 1st	\$1,536,542				x	601 POTRERO GRANDE DR, MONTEREY PARK, CA 91755
BLSPZ	BS OF CA PPO	\$1,406,009		x			PO BOX 272540, CHICO, CA 95927
AETHX	AETNA CHOICE MISC	\$1,386,340	x				PO BOX 14079, LEXINGTON, KY 40512
KAIHZ	KAISER HMO	\$1,256,003	x				PO BOX 7004, DOWNEY, CA 90242 (NORTHERN) PO BOX 12923, OAKLAND, CA 94604
CHGLZ	MEDI-CAL CHG	\$1,195,651				x	PO BOX 1237, CHULA VISTA, CA 91912
AETHP	AETNA CHOICE PCAMG	\$1,080,246	x				PO BOX 14079, LEXINGTON, KY 40512
GRPIZ	GROUP PRIVATE INSURANCE	\$1,034,299	Miscellaneous non-contracted payers				Multiple Addresses
HNTHP	HLTH NET HMO PCAMG	\$957,350	x				PO BOX 14702, LEXINGTON, KY 40512
MOLLZ	Molina Healthcare	\$891,360				x	PO BOX 22801, LONG BEACH, CA 90801
SRHSX	SENIOR HMO MISC	\$890,240			x		Multiple Addresses
SCNSP	Scan Healthplan PCAMG	\$813,943			x		PO BOX 22698, LONG BEACH, CA 90801
SHAHP	Sharp HMO PCAMG	\$771,164	x				PO BOX 939036, SAN DIEGO, CA 92193
UHCHX	UNITED HEALTHCARE HMO MISC	\$670,628	x				PO BOX 30755, SALT LAKE CITY, UT 84130
HUMSP	HUMANA SR PCAMG	\$647,963			x		PO BOX 14601, LEXINGTON, KY 40512
BLCSZ	Blue Cross Freedom	\$610,371			x		PO BOX 60007, LOS ANGELES, CA 90060
CARSX	CARE 1ST SR MISC	\$609,449			x		PO BOX 4239, MONTEBELLO, CA 90640
HNTSP	HLTH NET SR HMO PCAMG	\$607,862			x		PO BOX 14702, LEXINGTON, KY 40512
AETHT	AETNA CHOICE GTCIPA	\$588,740	x				PO BOX 14079, LEXINGTON, KY 40512
BLCHK	ANTHEM BC SCRIPPS COASTAL NORTH	\$540,520	x				PO BOX 60007, LOS ANGELES, CA 90060
PACHB	PACIFICARE HMO SCMG GRAYBLL	\$524,932	x				PO BOX 30968, SALT LAKE CITY, UT 84130
FHLPZ	First Health PPO	\$522,419		x			Multiple Addresses
SCNSK	SCAN HEALTHPLAN SCRIPPS COASTAL	\$463,421			x		PO BOX 22698, LONG BEACH, CA 90801
SECSK	SECURE HORIZONS SCRIPPS COASTAL	\$446,108			x		PO BOX 30968, SALT LAKE CITY, UT 84130
BLSHP	BS HMO PCAMG	\$439,943	x				PO BOX 272540, CHICO, CA 95927
BLSHF	BS HMO SDPMG	\$413,744	x				PO BOX 272540, CHICO, CA 95927

KAISZ	KAISER PLEDGE	\$390,860			x		PO BOX 7004, DOWNEY, CA 90242 (NORTHERN) PO BOX 12923, OAKLAND, CA 94604
HNTLZ	MEDI-CAL HEALTH NET	\$364,625				x	PO BOX 14702, LEXINGTON, KY 40512
BCFPZ	BC FEDERAL EMPLOYEE	\$353,534		x			PO BOX 70000, VAN NUYS, CA 91470