

## ASSIGNMENT OF CO-GENERATION AGREEMENT

THIS ASSIGNMENT OF CO-GENERATION AGREEMENT (“Assignment”), is made as of June 1, 2012, by GROSSMONT HEALTHCARE DISTRICT, a local health care district duly organized and existing pursuant to The Local Health Care District Law of the State of California, constituting Division 23 of the California Health and Safety Code, and under the laws of the State of California (“Lessee”), in favor of RBS ASSET FINANCE, INC., a New York corporation (together with its successors and assigns, “Lessor”) pursuant to the Lease Agreement dated as of the date hereof by and between Lessor and Lessee (as amended, restated, supplemented, or otherwise modified from time to time, the “Lease Agreement”). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Lease Agreement.

1. As security for all obligations of Lessee under the Lease Agreement and the other Lease Documents (collectively, “Obligations”), Lessee hereby collaterally assigns, pledges and transfers to Lessor all right, title and interest of Lessee in, to and under the Co-Generation and Energy Equipment Purchase Agreement dated as of June 29, 2012 (the “Co-Generation Agreement”) between Lessee and Grossmont Hospital Corporation, a California nonprofit public benefit corporation (“Hospital”), except for the rights to receive, in all cases to the extent payable to Lessee, any amounts paid by Hospital pursuant to the provisions of the Co-Generation Agreement relating to indemnification, and all guaranties, amendments, extensions and renewals of the Co-Generation Agreement, all payments which may now or hereafter be or become due or owing under the Co-Generation Agreement (the “Co-Generation Agreement Payments”), any award hereafter made in any bankruptcy, insolvency or reorganization proceeding in any state or federal court involving Hospital with respect to the Co-Generation Agreement and any and all payments made by Hospital in lieu of Co-Generation Agreement Payments.

2. Hospital is hereby expressly authorized and directed to pay any and all Co-Generation Agreement Payments due to Lessee pursuant to the Co-Generation Agreement to Lessor or such nominee as Lessor may designate in writing delivered to and received by Hospital, and Hospital is expressly relieved of any and all duty, liability or obligation to Lessee in respect of all payments so made. Such payments shall be made initially to Lessor as follows:

Clearing Bank:	RBS Citizens, N.A. One Citizens Drive Riverside, RI 02915
ABA No.:	241070417
Account Name:	RBS Asset Finance Customer Payments
Account No.:	450000-149-1
Lessee:	Grossmont Hospital District

3. Lessee hereby irrevocably makes, constitutes and appoints Lessor (and all officers, employees or agents designated by Lessor) as its true and lawful attorney-in-fact for the purposes of enabling Lessor or its agent or designee to exercise its rights under Section 2 hereof.

4. Lessee shall keep Lessor reasonably informed of all events which have a material and adverse effect upon the exercise of its rights and remedies under the Co-Generation

Agreement. In any event, Lessee shall not release, cancel, sell, compromise, waive, amend, alter or modify any of its rights or remedies under the Co-Generation Agreement without first obtaining the prior written consent of Lessor (in Lessor's sole discretion).

5. Lessee has not performed or executed and shall not perform any acts or execute any other instruments which might prevent Lessor from fully exercising its rights under any of the terms, covenants and conditions of this Assignment.

6. The Co-Generation Agreement is and shall be valid and enforceable in accordance with its terms and has not been altered, modified, amended, terminated, canceled, renewed or surrendered nor have any of the terms and conditions thereof been waived in any manner.

7. Without limiting the foregoing, Lessee shall not reduce the amount of Co-Generation Agreement Payments or shorten the term of the Co-Generation Agreement.

8. There are no defaults now existing under the Co-Generation Agreement, and to the best of Lessee's knowledge, there exists no state of facts which, with the giving of notice or lapse of time or both, would constitute a default under the Co-Generation Agreement.

9. Lessee shall give prompt notice to Lessor of any notice received by Lessee claiming that a default has occurred under the Co-Generation Agreement on the part of Lessee, together with a complete copy of any such notice.

10. Lessee expressly acknowledges and agrees that it shall remain liable under the Co-Generation Agreement to observe and perform all of the conditions and obligations therein contained to be observed and performed by it, and that neither this Assignment, nor any action taken by Lessor pursuant hereto, shall cause Lessor to be under any obligation or liability in any respect whatsoever to any party to the Co-Generation Agreement or for the observance or performance of any of the representations, warranties, conditions, covenants, agreements or terms therein contained.

11. Notwithstanding Lessor's rights hereunder, Lessor shall not be obligated to perform, and Lessor does not undertake to perform, any obligation, covenant, condition or term with respect to the Co-Generation Agreement on account of this Assignment.

12. This Assignment shall remain in full force and effect and continue to be effective should any petition be filed by or against Lessee for liquidation or reorganization, should Lessee become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Lessee's assets, and shall continue to be effective or 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 "voidable preference," "fraudulent conveyance," "fraudulent transfer" 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.

13. This Assignment and all obligations of Lessee hereunder shall be binding upon the successors and assigns of Lessee (including any debtor-in-possession on behalf of Lessee) and shall, together with the rights and remedies of Lessor hereunder, inure to the benefit of Lessor, all future holders of any instrument evidencing any of the Obligations and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Obligations or any portion thereof or interest therein shall in any manner affect the assignment made and security interest granted hereunder to Lessor. Lessee may not assign, sell, hypothecate or otherwise transfer any interest in or obligation under this Assignment.

14. Upon the repayment in full of all Obligations, the liens granted herein shall terminate and all rights to the Co-Generation Agreement shall revert to Lessee. Upon any such termination, Lessor will, at the expense of Lessee, execute and deliver to Lessee such documents as Lessee shall reasonably request, but without recourse or warranty to Lessor, to evidence the termination of such liens.

15. All notices, requests and other communications to Lessee or Lessor hereunder shall be made in accordance with the Lease Agreement.

16. No failure or delay on the part of Lessor or any holder of the Obligations in exercising any right or remedy hereunder, and no course of dealing between or among Lessee on the one hand and Lessor or any holder of the Obligations on the other hand shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy hereunder or any other Lease Document preclude any other or further exercise thereof or the exercise of any other right or remedy hereunder or thereunder. The rights and remedies herein and in the other Lease Documents are cumulative and not exclusive of any rights or remedies which Lessor or the holder of the Obligations would otherwise have. No notice to or demand on Lessee not required hereunder in any case shall entitle Lessee to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of Lessor or the holder of the Obligations to any other or further action in any circumstances without notice or demand.

17. No amendment or waiver of any provision of this Assignment, nor consent to any departure by Lessee from this Assignment, shall in any event be effective unless the same shall be in writing and signed by Lessor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

18. THIS ASSIGNMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF) OF THE STATE OF CALIFORNIA.

19. In case any provision in or obligation under this Assignment shall be invalid, illegal or unenforceable, in whole or in part, 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.

20. The proceeds of any sale of, or other realization upon, all or any part of the Co-Generation Agreement shall be applied by Lessor in the manner set forth in the Lease Agreement.

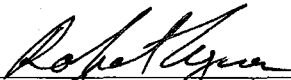
21. **TO THE EXTENT PERMITTED BY LAW, LESSEE WAIVES TRIAL BY JURY IN RESPECT OF ANY DISPUTE AND ANY ACTION ON SUCH DISPUTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LESSEE, AND LESSEE HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LEASE DOCUMENTS. LESSEE AND LESSOR ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. LESSEE FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS ASSIGNMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.**

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IN WITNESS WHEREOF, Lessee has caused this Assignment to be duly executed as of the date first above written.

Lessee:

GROSSMONT HEALTHCARE DISTRICT

By:   
Name: ROBERT AIKES  
Title: SECRETARY / TREASURER

[EXECUTION PAGE OF ASSIGNMENT OF CO-GENERATION AGREEMENT]

## ACKNOWLEDGMENT AND CONSENT

This Acknowledgment and Consent, dated as of June 1, 2012, is executed by Grossmont Hospital Corporation, a California nonprofit public benefit corporation ("Hospital"), pursuant to the Co-Generation and Energy Equipment Co-Generation Agreement dated as of June 29, 2012 (the "Co-Generation Agreement") between Lessee and Hospital.

Lessee is indebted to RBS Asset Finance, Inc., a New York corporation ("Lessor"), pursuant to the terms of that certain Lease Agreement of even date herewith (the "Lease Agreement") between Lessee and Lessor. Capitalized terms used herein but not otherwise defined shall have the respective meanings ascribed thereto in the Lease Agreement.

Hospital hereby acknowledges and consents as follows:

1. The Co-Generation Agreement is the only agreement between Hospital and Lessee with respect to the Project as of the date hereof. The Co-Generation Agreement is in full force and effect and is valid and enforceable against Hospital. The current expiration date of the Co-Generation Agreement is not earlier than June 29, 2021.

2. Lessee is not in default under the Co-Generation Agreement and no event has occurred and no condition exists which, with the giving of notice or the lapse of time or both, would constitute a default under the Co-Generation Agreement. Hospital has not received any notice that the Project is in violation of any laws, municipal ordinances, rules or requirements.

3. Hospital hereby consents to (a) the collateral assignment of Lessee's interest in the Co-Generation Agreement by Lessee to Lessor and (b) Lessee executing the Assignment of Co-Generation Agreement in favor of Lessor (the "Assignment"), encumbering, among other things, Lessee's interest in the Co-Generation Agreement and the payments thereunder (the "Co-Generation Agreement Payments"). The execution and recordation of the Assignment will not constitute a breach of or default under the Co-Generation Agreement. Hospital does not need to obtain any other consents with respect to Lessee's execution and delivery of the Assignment.

4. Hospital shall pay any and all Co-Generation Agreement Payments due to Lessee pursuant to the Co-Generation Agreement to Lessor or such nominee as Lessor may designate in a writing delivered to and received by Hospital. Such payments shall be made initially to Lessor as follows:

Clearing Bank:	RBS Citizens, N.A. One Citizens Drive Riverside, RI 02915
ABA No.:	241070417
Account Name:	RBS Asset Finance Customer Payments
Account No.:	450000-149-1
Lessee:	Grossmont Hospital District

5. Hospital shall give notice of any default by Lessee under the Co-Generation Agreement to Lessor so long as Lessor has given written notice of its name and address to Hospital. Such notice is set forth in Section 7 below.

6. Hospital shall not terminate the Co-Generation Agreement, exercise any rights of levy, distress, detainer or distraint or otherwise interfere with Lessor's right to collect Co-Generation Agreement Payments notwithstanding an event of default by Lessee under the Co-Generation Agreement.

7. All notices given hereunder shall be in writing and given by express overnight delivery service or certified mail, return receipt requested, and shall be deemed to have been delivered (a) the next business day, if delivered by express overnight delivery service or (b) the third business day following the day of deposit of such notice with the United States Postal Service, if sent by certified mail, return receipt requested. Notices shall be provided at the following addresses or such other address or person as Lessor, Hospital or Lessee may from time to time hereafter specify in the manner provided above:

If to Hospital: Grossmont Hospital Corporation  
c/o Sharp Grossmont Hospital  
Attention: Michele Tarbet, CEO  
555 Grossmont Center Drive  
La Mesa, CA 91942

If to Lessee: Grossmont Healthcare District  
Attention: Barry Jantz, CEO  
9001 Wakarusa Street  
La Mesa, CA 91942

If to Lessor: RBS Asset Finance, Inc.  
Attention: Portfolio Manager  
71 South Wacker Drive, 28th Floor  
Chicago, IL 60606

8. This Acknowledgement and Consent shall be binding upon and shall inure to the benefit of Hospital, Lessor and Lessee and their respective successors and assigns. Lessor shall have the right to assign its right, title and interest in the Assignment and this Acknowledgement and Consent to any third party, and, upon such assignment, any reference to Lessor hereunder shall mean and refer to such assignee.

9. Upon the occurrence of a casualty or condemnation, the portion of the insurance proceeds or condemnation award allocable to the Project shall be paid in accordance with the Lease Agreement.

10. Within 20 days after a request by Lessor, Hospital shall provide Lessor with a signed statement indicating whether or not any defaults exist under the Co-Generation Agreement and such other matters concerning the Project and the Co-Generation Agreement as Lessor may reasonably request.

11. Lessor is relying on this Acknowledgement and Consent in connection with the Lease Agreement.

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IN WITNESS WHEREOF, the undersigned has executed this Acknowledgement and Consent as of the date first noted above.

Hospital:

GROSSMONT HOSPITAL CORPORATION

By: 

Name: CHARLES C. LEOK III

Title: ASSISTANT SECRETARY

[EXECUTION PAGE OF ACKNOWLEDGEMENT AND CONSENT]