

FORM OF CLOSING CERTIFICATE OF GROSSMONT HEALTHCARE DISTRICT

Grossmont Healthcare District ("District") does hereby certify in connection with the Lease Agreement dated as of June 1, 2012 (the "Agreement"), between District and RBS Asset Finance, Inc., that District is a local healthcare district duly organized and validly existing under the laws of the State of California and does further certify as follows:

The words and terms used in this Certificate, unless the context requires otherwise, shall have the same meanings as set forth in the Agreement.

1. Members and Officers. The following persons were and are the duly qualified and acting members and officers of District since at least May 1, 2012 to and including the date hereof:

<u>Name</u>	<u>Title</u>
Barry Jantz	Chief Executive Officer
Tom Saiz	Chief Financial Officer
Deborah McElravy	Board President
Robert Ayres	Board Treasurer/Secretary

Each member is a resident of the State of California, and has been appointed in accordance with all applicable requirements of law.

2. Meetings. At least twenty-four hours prior to the commencement of the meetings referred to in paragraph 3 hereof notice of each meeting was made available to any representative of the news media who requested it and was posted on a bulletin board or other prominent place that is easily accessible to the public and clearly designated for that purpose at the principal office of District and at the site of the meeting. Said meetings were open to the public and every reasonable effort was made to grant special access to said meetings to handicapped or disabled persons.

Notices of the meetings of District at which the Resolutions (defined below) were adopted were given in accordance with the Bylaws of District, including the sending of such notices by mail to each member of District, said notices being deposited in the United States mail 10 days or more before the applicable meeting.

3. Resolutions. Attached hereto as Attachment 1 is a true, complete and correct copy (other than any attachments or exhibits thereto) of the resolutions (the "Resolutions") authorizing and approving the execution and delivery of the Agreement and the other Lessee Documents, which were duly adopted by District at the meeting of District held on June 29, 2012. The Resolutions are in full force and effect and the Resolutions and Lessee Documents (in the forms as originally adopted or executed, as the case may be, have not been altered, amended or repealed as of the date hereof.

4. Lessee Documents. The Lessee Documents as executed and delivered by the authorized officers of District, are in substantially the same form and text as the copies of such instruments which were before and approved by District at its June 29, 2012 meeting referred to in paragraph 3 above, and such instruments as executed and delivered have not been modified, amended or repealed.

5. Signatures. The signatures of [Robert Ayres] [and Barry Jantz], the [Secretary/Treasurer] [and CEO] of District, respectively, affixed to the Lessee Documents are the true and correct signatures of such officers of District.

6. Execution of Documents. [Robert Ayres is the duly elected or appointed [Executive Director and Secretary] of District and Deborah McElroy is the duly appointed [Assistant Secretary] of District. The foregoing were such officers of District at the date of the Lessee Documents and continuously to the date of this Certificate. As such officers, the [Executive Director and Secretary] of District and the President [Assistant Secretary] of District have manually executed and attested, respectively, on behalf of District, the Lessee Documents.

7. Representations and Warranties. The representations and warranties of District contained in Article IV of the Agreement are (subject to the limitations and qualifications of those representations and warranties, such as "to Lessee's knowledge") true and correct in all material respects as of the date hereof, and, to District's knowledge, it has complied with all covenants and satisfied all conditions and terms of the Lessee Documents required on its part to be performed or satisfied at or prior to the date hereof.

8. No Event of Default. To District's knowledge, at the date hereof, no event of default of District specified in the Lessee Documents, and no event which with the giving of notice or the lapse of time or both would become such an event of default of District under the Lessee Documents, has occurred.

9. All Necessary Action. District has duly authorized, by all necessary action, the execution, delivery, receipt and due performance of the Lessee Documents and any and all such other agreements and documents as may be reasonably required to be executed, delivered and received by District in order to carry out, give effect to and consummate the transactions contemplated by the Lessee Documents and the Resolutions. The Lessee Documents, as executed and delivered, constitute legal, valid and binding obligations of District enforceable against it in accordance with their respective terms (except insofar as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws or equitable principles of general application affecting the rights and remedies of creditors and secured parties, and except as rights to indemnity under the Agreement may be limited by federal or state securities laws or by other principles of public policy).

10. Payments Pledged. The payments to be derived under the Agreement and the Co-Generation Agreement and assigned thereunder are not pledged or hypothecated by District in any manner or to any extent except as otherwise expressly provided in the Agreement.

11. No Conflict. To District's knowledge, no member of District and no officer of District has any pecuniary interest, directly or indirectly, in any contract, employment, purchase or sale made, or to be made, in connection with the proposed transaction contemplated by the Lessee Documents.

12. Taxability. Subject to the requirements of the Lessee Documents or any provision of law, or any applicable judgment, order, rule or regulation of any court or executive or agency having jurisdiction, District will not engage in any activity which is likely to result in any loss of any exclusion of interest on the Lease from the gross income of the recipient thereof under the federal income tax laws.

13. Open Meetings. All meetings of District at which District considered any matters related to the Lessee Documents or the proposed transaction contemplated by the Lessee Documents, including the meeting at which the Resolutions were adopted, have been open to the public and held in accordance with the procedures adopted by District and any applicable provision of law.

14. Approvals. To District's knowledge, all approvals, consents, authorizations and orders required to be obtained by District in connection with the execution and delivery of the Lessee Documents and the performance of the terms thereof by District have been duly obtained.

15. Seal. The seal, if any, affixed to this certificate and which has been affixed to the Agreement, is the legally adopted, proper and only official corporate seal of District.

16. Use of Lease Proceeds. The Lease is being made to provide funds to finance or refinance the costs of acquiring certain equipment to be owned by the District and operated by the Hospital as described in the Agreement (the "Project"). District represents, with respect to the Project, that all of the net proceeds of the Lease will be used to finance, reimburse or refinance the cost of the Project and issuance costs related thereto. District represents that the weighted average maturity (defined in accordance with the Internal Revenue Code of 1986, as amended, (the "Code")) of the Agreement will not exceed one hundred twenty percent (120%) of the weighted average reasonably expected economic life in the hands of District or Hospital of the Project.

17. Public Hearing and Approval. In connection with the execution and delivery of the Agreement, District was authorized to hold a hearing as required under Section 147 of the Code regarding the proposed execution and delivery of the Agreement. The published notice of the public hearing was published on May 4, 2012 in the *San Diego Union-Tribune*, a newspaper of general circulation available to residents in the District. The published notice of the hearing advised the public that a public hearing would be held on May 18, 2012 to discuss the proposed execution and delivery of the Agreement and that interested parties would be afforded an opportunity to express their views at that hearing. At 7:30 (A) P.M. on May 18, 2012 at the offices of District, a public hearing was held concerning the execution and delivery of the Agreement as provided in said notice. The hearing was open to the public, and those present were invited to express their views relating to the execution and delivery of the Agreement and the proposed use of the proceeds thereof. No members of the public attended or expressed any

views. Pursuant to the Resolutions, the elected Board of Directors of the District has approved the Agreement for purposes of Section 147(f) of the Code.

IN WITNESS WHEREOF, District has caused this Certificate to be executed as of this 29th day of June, 2012.

[SEAL]



GROSSMONT HEALTHCARE DISTRICT

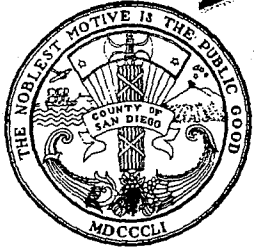
By: Robert Ayres
Name: ROBERT AYRES
Title: SECRETARY / TREASURER

ATTEST:

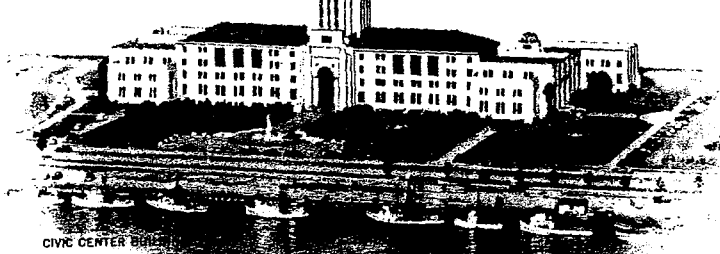
By: Deborah D. McElravy RPH
Name: DEBORAH D. McELRAVY RPH
Title: BOARD PRESIDENT

[EXECUTION PAGE OF CLOSING CERTIFICATE
OF GROSSMONT HEALTHCARE DISTRICT]

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County of San Diego



CIVIC CENTER BUILDING

DAVID W. BIRD, C
~~SECRETARY~~

FRANK A. GIBSON
 1ST DISTRICT, SAN DIEGO

DAVID W. BIRD
 2D DISTRICT, NATIONAL CITY

JAMES A. ROBBINS
 3D DISTRICT, SAN DIEGO

DAN ROSSI
 4TH DISTRICT, SAN DIEGO

DEAN E. HOWELL
 5TH DISTRICT, ESCONIDO

T. H. SEXTON, COUNTY CLERK
 AND EX-OFFICIO CLERK
 BOARD OF SUPERVISORS

MARIE NASLAND,
 DEPUTY CLERK

BOARD OF SUPERVISORS

CIVIC CENTER
 SAN DIEGO 1, CALIFORNIA

IN REPLY PLEASE REFER

TO 1-22-52 (80)

January 23, 1952

Mr. Burton I. Jones, President
 Grossmont Hospital Association
 7554 Central Avenue
 Lemon Grove, California

Dear Sir:

Enclosed is certified copy of a resolution adopted by the Board of Supervisors on January 22, 1952, declaring the results of the election and declaring the formation of the Grossmont Hospital District.

A copy of this resolution has also been filed with the County Recorder.

Very truly yours,

T. H. SEXTON, County Clerk
 and ex officio Clerk of the
 Board of Supervisors

By J. Miller
 Deputy

jm
 Enclosure

Re Declaring the Results of the Election)
and Declaring the Formation of the)
Grossmont Hospital District.)

ON MOTION of Supervisor Robbins, seconded by
Supervisor Rossi, the following resolution is
adopted:

WHEREAS, on September 18, 1951 there was filed with and
presented to this Board a petition (Document No. 138162) asking
for the formation of a hospital district to be known as the
Grossmont Hospital District; and

WHEREAS, hearings were held and proceedings were taken on
said petition, as required by the Local Hospital District Law,
and on November 27, 1951 this Board adopted its resolution fixing
the boundaries of the proposed Grossmont Hospital District and
calling an election on January 8, 1952 to determine whether or
not the proposed District should be formed; and

WHEREAS, said election was held on said date in the manner
required by law, the election board in each precinct delivered
to this Board the returns from said precinct, and this Board
assembled in a special adjourned meeting on Monday, January 14,
1952 for the purpose of canvassing said returns; and

WHEREAS, said canvass was thereupon made and this Board
determined that a majority of the votes cast at said election
were in favor of the organization of the district; NOW THEREFORE

IT IS RESOLVED AND DECLARED that the votes cast at the
election of January 8, 1952, for the proposed Grossmont Hospital
District on the proposition set forth herein were as follows:

MEASURE SUBMITTED TO VOTE OF VOTERS

"Shall the proposed Grossmont Hospital District
be formed pursuant to the Local Hospital District
Law?"

Special Election
Precinct No.

Yes No

1	76	86
2	44	15
3	90	15
4	17	5
5	29	33
6	37	11
7	120	14
8	149	33
9	127	22
10	174	24
11	22	15
12	124	38
13	118	27
14	33	3
15	29	3
16	33	22
17	3	15
18	120	15
19	82	16
20	56	37
21	230	62
22	168	37
23	167	40

Special Election
Precinct No.

Yes No

24	259	54
25	183	57
26	264	62
27	76	58
28	104	48
29	97	64
30	153	24
31	170	31
32	120	46
33	51	7
34	134	22
35	24	8
36	4	13
37	95	27
38	37	18
39	164	17
40	82	20
41	76	32
42	74	21
Absentee votes	2	2
	YES	4,217
TOTAL		
	NO	1,219

IT IS FURTHER DECLARED that a majority of all the votes cast at said election in the proposed Grossmont Hospital District are in favor of the organization of said district under the Local Hospital District Law.

ACCORDINGLY, it is resolved and ordered as follows:

1. That the Grossmont Hospital District be and it is hereby duly organized under the Local Hospital District Law;
2. That the name of said district is the Grossmont Hospital District;
3. That the boundaries of said Grossmont Hospital District are described as follows:

All that portion of the unincorporated area of the County of San Diego, State of California, including the incorporated cities of El Cajon and La Mesa, described as follows:

Beginning at the NE corner of Sec. 4, T15S, R5E, S.E.B. & M, thence southerly along section lines to the SE corner of Sec. 33, said township; thence easterly along section lines to the NE corner of Sec. 1, T16S, R5E; thence southerly along section lines to the SE corner of Sec. 36, said township; thence westerly along section lines to the NE corner of Sec. 1, T17S, R5E; thence southerly along section lines to the SE corner of Sec. 24, said township; thence easterly along section lines to the NE corner of Sec. 30, T17S, R6E; thence southerly along section lines to the southerly boundary line of San Diego County; thence westerly along said line to the range line between R1E and R2E; thence northerly along said range line to the southerly boundary line of Rancho Jamul, according to partition map thereof; thence in a general westerly and northerly direction along said line to the south line of fractional Sec. 27, T17S, R1E; thence westerly along section lines to the SW corner of Sec. 28, said township; thence northerly along section lines to the east 1/4 corner of Sec. 20, said township; thence westerly along the east and west center lines of Section 20 and 19 to the SW corner of the east half of the NE 1/4 of said Sec. 19; thence northerly along the west line of said east half to the NW corner thereof; thence westerly along section lines to the SW corner of Sec. 14, T17S, R1W; thence northerly along section lines to the southeasterly boundary line of the Jamacha Rancho according to partition map thereof; thence southwestwardly along said line to the easterly boundary line of Rancho de la Nacion, according to Map thereof No. 166, Records of said County; thence northerly along said line to the northeasterly corner of said Rancho de la Nacion; thence westerly along the northerly line of said Rancho to the SE corner of Marragansett Peights, according to map thereof No. 1041, Records of said County, being a point on the boundary line of the City of San Diego; thence in a general northerly direction along the meanders of said boundary line of the City of San Diego to its intersection with the west line of Sec. 14, T16S, R2W, in Lot 67 of Rancho Mission, according to partition map thereof; thence northerly along section lines in said Lot 67 to the NW corner of Sec. 11, said township; thence easterly along section lines to the SW corner of Sec. 1, said township, being a point on the southerly line of Lot 70 of said Rancho Mission; thence northerly along section lines through said Lot 70 and Lot 73 of said Rancho and continuing northerly along section lines to the NW corner of Sec. 12, T15S, R2W; thence easterly along section lines to the northwesterly boundary line of the Rancho El Cajon; thence northeasterly along said line to the SW corner of fractional Sec. 2, T15S, R1W; thence northerly along section lines to the NW corner of Sec. 14, T14S, R1W; thence easterly along section lines to the NE corner of Sec. 17, T14S, R2E; thence southerly along section lines to the SE corner of Sec. 32, said township; thence easterly along section lines to the point of beginning.

Excepting and excluding from the foregoing description all that portion lying Northerly of the Northerly line of University Avenue as shown on Record of Survey No. 1404 and Official Maps 2518, 2398, 2016, 2015 and 1965, and lying Westerly of the Easterly lines of Rolando Units #1, Map 1932, Unit #2, Map 1947, and Unit #3, Map 1965.

IT IS FURTHER ORDERED that the clerk of this Board file a certified copy of this resolution with the Secretary of State, file a certified copy of this resolution for record in the office of the County Recorder, and file with the County Assessor and the State Board of Equalization a certified copy of this order, together with a map or plat showing the boundaries of said district.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Diego, State of California, this 22d day of January, 1952, by the following vote:

AYES: Supervisors Gibson, Robbins, and Rossi
NOES: Supervisors None
ABSENT: Supervisors Bird and Howell

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

I, T. H. SEXTON, County Clerk of the County of San Diego, State of California, and ex officio Clerk of the Board of Supervisors of said County hereby certify that I have compared the foregoing copy with the original resolution passed and adopted by said Board, at a regular meeting thereof at the time and by the vote therein stated, which original resolution is now on file in my office; that the same contains a full, true and correct transcript therefrom and of the whole thereof.

Witness my hand and the Seal of said Board of Supervisors, this 22d day of January, 1952.

T. H. SEXTON, County Clerk
and ex officio Clerk of the
Board of Supervisors

By J. Miller
Deputy

SEAL)



RESOLUTION NO. 01-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF GROSSMONT HEALTHCARE DISTRICT AUTHORIZING A LEASE AGREEMENT NOT TO EXCEED \$18,000,000 TO FINANCE THE ACQUISITION, INSTALLATION AND IMPROVEMENT OF A CO-GENERATION PROJECT AND RELATED EQUIPMENT AT SHARP GROSSMONT HOSPITAL AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of Section 32130.6(b) of the California Health and Safety Code (the "Act"), Grossmont Healthcare District (the "District") is authorized to enter into capital leases in order to finance certain healthcare-related projects;

WHEREAS, the District wishes to finance the acquisition, installation and improvement of certain cogeneration facilities and equipment (the "Project") to be used for the operation of Sharp Grossmont Hospital by Grossmont Hospital Corporation, a California non-profit corporation (the "Hospital");

WHEREAS, the Hospital has requested the assistance of the District in financing the Project;

WHEREAS, in order for interest on the Lease (as defined in the Lease Agreement (as defined below)) to be excludable from gross income for federal income tax purposes, the Lease must, among other things, be approved by the governmental unit entering into the Lease, all in compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, on May 18, 2012, the District held the hearing required pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "TEFRA Hearing"), and the District approved the Lease Agreement dated as of May 1, 2012 (the "Lease Agreement") between the District and RBS Asset Finance, Inc. ("RBSAF") as required thereby and in accordance with the Act to provide financing for the Project, which public hearing was conducted in a manner that provided a reasonable opportunity to be heard for persons with differing views on both the Lease and the location and the nature of the Projects which are to be financed by the Lease;

WHEREAS, the notice of the TEFRA Hearing was published no less than 14 days prior to the date of the TEFRA Hearing in the *San Diego Union-Tribune*;

WHEREAS, pursuant to an Escrow Agreement (the "Escrow Agreement") among the District, RBSAF and RBS Citizens, N.A. (the "Escrow Agent"), the Lease Proceeds (as defined in the Lease Agreement) will be deposited in an escrow fund to be held by the Escrow Agent, and the Escrow Agent will disburse such moneys to or as directed by the District and approved by RBSAF for the Project and related costs upon the terms and conditions set forth therein; and

WHEREAS, there have been made available to the Board of the District the following documents and agreements:

- (1) A proposed form of Lease Agreement;
- (2) A proposed form of Escrow Agreement;
- (3) A proposed form of Co-Generation Agreement (as defined in the Lease Agreement);
- (4) A proposed form of Assignment (as defined in the Lease Agreement); and
- (5) A proposed form of Tax Regulatory Agreement (as defined in the Lease Agreement).

NOW THEREFORE, BE IT RESOLVED by the Board of the District, as follows:

Section 1. Pursuant to the Act, the District is hereby authorized to enter into the Lease Agreement in an aggregate principal amount of not to exceed eighteen million dollars (\$18,000,000).

Section 2. The proposed forms of Lease Agreement, Escrow Agreement, Co-Generation Agreement, Assignment and Tax Regulatory Agreement, as presented to this meeting, are hereby approved. Any Authorized Officer (as defined below) is hereby authorized and directed, for and on behalf of the District, to execute and deliver each of the Lease Agreement, Escrow Agreement, Co-Generation Agreement, Assignment and Tax Regulatory Agreement in substantially said form, with such changes and insertions therein as any Authorized Officer of the District, with the advice of counsel to the District, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates or methods of determining rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Lease (as defined in the Lease Agreement) shall be as provided in the Lease Agreement, as finally executed.

Section 3. The Chief Executive Officer, Chief Financial Officer, Board Treasurer/Secretary, Board President or any other members of the Board of the District and other appropriate officers and agents of the District (each, an "Authorized Officer") are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the District, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Lease, any and all documents and certificates to be executed in connection with the tax exemption of interest on the Lease, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the District has approved in this Resolution and to consummate by the District the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 4. All actions heretofore taken by any Authorized Officer with respect to the Lease are hereby ratified, confirmed and approved.

Section 5. For the purposes of Section 147(f) of the Code, (a) the TEFRA Hearing was held by the Board and (b) the Board hereby approves the Project and the financing thereof through the Lease in an aggregate principal amount not to exceed the amount set forth in the TEFRA Notice included in the attached Exhibit "A" which is incorporated herein by reference.

Section 6. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED AT A REGULAR MEETING on this 29th day of June, 2012.

AYES: **D**irectors Ayres, Chadwick, Emerson, Long & McElravy

NOES:

ABSENT:

ABSTAIN:

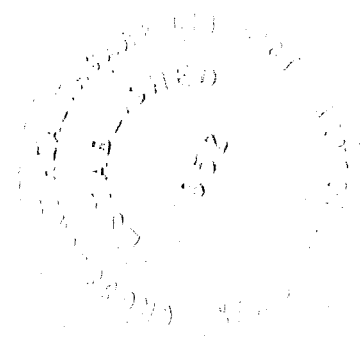


Robert Ayres, Board Treasurer/Secretary

ATTEST:




Deborah McElravy, RPH, President



CERTIFICATION OF RESOLUTION

I, the undersigned, the Secretary of the Board of Directors of Grossmont Healthcare District, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of the District at a duly called meeting of the Board of the District held in accordance with law on June 29, 2012.

GROSSMONT HEALTHCARE DISTRICT

By: 
Name: Robert Ayres
Title: Treasurer/Secretary, Board of Directors

ATTEST:

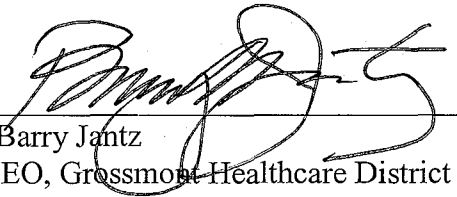
By: 
Name: Barry Jantz
Title: CEO, Grossmont Healthcare District

EXHIBIT A
TEFRA NOTICE



P.O. Box 120191, San Diego, CA 92112-0191

AFFIDAVIT OF PUBLICATION

KUTAK ROCK LLP KUTAK ROCK LLP
601 SOUTH FIGUEROA STREET, SUITE 4200
ATTN: ELISABETH LEE
LOS ANGELES, CA 90017-5747

STATE OF CALIFORNIA) ss.
County of San Diego)

**NOTICE OF PUBLIC
HEARING IN
CONNECTION WITH
THE
TAX-EXEMPT
FINANCING OF
CERTAIN
IMPROVEMENTS
AND EQUIPMENT FOR
THE GROSSMONT
HEALTHCARE
DISTRICT**

and other ancillary improvements and equipment all to be located at 5555 Grossmont Center Drive, La Mesa, California (the "Facilities"), and (b) pay costs of issuance with respect to the Obligations. The Facilities are or will be owned by the District and operated by the Corporation in conjunction with the operation of Grossmont Hospital.

The Undersigned, declares under penalty of perjury under the laws of the State of California: That she is a resident of the County of San Diego. That she is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that she is not a party to, nor interested in the above entitled matter; that she is Chief Clerk for the publisher of

The San Diego Union-Tribune

a newspaper of general circulation, printed and published daily in the City of San Diego, County of San Diego, and which newspaper is published for the dissemination of local news and intelligence of a general character, and which newspaper at all the times herein mentioned had and still has a bona fide subscription list of paying subscribers, and which newspaper has been established, printed and published at regular intervals in the said City of San Diego, County of San Diego, for a period exceeding one year next preceding the date of publication of the notice hereinafter referred to, and which newspaper is not devoted to nor published for the interests, entertainment or instruction of a particular class, profession, trade, calling, race, or denomination, or any number of same; that the notice of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

May 4, 2012

Zah Mammel
Chief Clerk for the Publisher

5/4/12
Date

Affidavit of Publication of

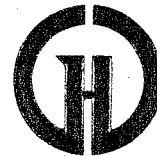
Legal Advertisement
Ad # 0010627608#
ORDERED BY: SAM S. BALISY, ESQ.

Notice is hereby given that at 7:30 a.m. on Friday, May 18, 2012, or as soon thereafter as the matter can be heard, at the Grossmont Healthcare District Conference Center located at 9001 Wakarusa Street, La Mesa, California 91942, the Board of Directors of the Grossmont Healthcare District (the "Board") will conduct a public hearing (the "Public Hearing") at which the Board will hear and consider information concerning the proposed issuance by the Grossmont Healthcare District (the "District"), from time to time, pursuant to a plan of finance, of up to Eighteen Million Dollars (\$18,000,000) in tax-exempt obligations (the "Obligations"). The proceeds of the Obligations will be used to finance certain capital improvements and equipment for Grossmont Hospital, which is owned by the District and currently is leased by the District to Grossmont Hospital Corporation, a non-profit corporation organized and existing under the laws of the State of California (the "Corporation"). The proceeds of the Obligations will be used to (a) finance the purchase, construction and installation of a Mercury 50 Gas Turbine Electric Generator, two (2) new 950-ton chillers and related cooling towers, a new 800 horse power boiler, a heat recovery steam generator, the relocation of one 950-ton chiller

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986. Those wishing to comment on the proposed nature and location of the Facilities and the financing of the Facilities with the proceeds of the Obligations may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing by the District, to Mr. Barry Janitz, Chief Executive Officer, Grossmont Healthcare District, 9001 Wakarusa Street, La Mesa, California 91942.

Dated: May 4, 2012.

**MINUTES OF THE GROSSMONT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
Regular Meeting
May 18, 2012**



The Board of Directors of Grossmont Healthcare District held a regular meeting on Friday, May 18, 2012, at 7:30 a.m., at the Grossmont Healthcare District Conference Center, 9001 Wakarusa Street, La Mesa, California.

Directors Present: Directors Ayres, Chadwick, Emerson, Long, and McElravy

Directors Absent: None

Staff Present: Barry M. Jantz, Chief Executive Officer
Jeffrey G. Scott, General Counsel
Thomas J. Saiz, Chief Financial Officer
Vickie Bradeen, Executive Assistant
Kathy Quinn, Library Director

A. CALL TO ORDER:

The meeting was called to order at 7:30 a.m. by President McElravy.

B. PLEDGE OF ALLEGIANCE:

President McElravy led in the pledge of allegiance.

C. APPROVAL OF AGENDA:

CEO Jantz requested that items G3b and G3c relating to the cogeneration project be removed from the agenda as the transactional documents are not final. Mr. Jantz indicated that it was anticipated that the completed documents will be brought before the Board for consideration at either a special meeting or at the next regular meeting. Counsel Scott reported that staff is making progress on the financing documents but the District and Hospital needs more time to get the documents in proper form before the District Board can consider them.

It was moved by Director Long, seconded by Director Ayres, and unanimously carried (5-0) to adopt the Agenda as amended.

D. PUBLIC COMMENT:

No members of the public addressed the Board.

E. CONSENT ACTION ITEMS:

1. Minutes of Regular Meeting of April 20, 2012
2. Minutes of Regular Meeting of May 7, 2012

It was moved by Director Long, seconded by Director Emerson, and unanimously carried (5-0) to approve the Consent Action Items.

F. PUBLIC HEARING – Tax Equity and Fiscal Responsibility Act Hearing on Cogeneration Project Financing

CEO Jantz stated that this is a public hearing to consider the issuance by the Grossmont Healthcare District, from time to time, pursuant to a plan of finance, of up to Eighteen Million Dollars (\$18,000,000) in tax-exempt obligations. The proceeds of the obligations will be used to finance certain capital improvements and equipment for Grossmont Hospital, which is owned by the District and currently leased to Grossmont Hospital Corporation and operated by Sharp HealthCare. The proceeds of the obligations will be used to (a) finance the purchase, construction, and installation of certain cogeneration facilities and equipment including a Mercury 50 Gas Turbine Electric Generator, two new 950-ton chillers and related cooling towers, a new 800 horsepower boiler, a heat recovery steam generator, the relocation of one 950-ton chiller and other ancillary improvements and equipment all to be located at 5555 Grossmont Center Drive, La Mesa, California, and (b) pay costs of issuance with respect to the obligations. The facilities are or will be owned by the District and operated by the Corporation in conjunction with the operation of Grossmont Hospital. This public hearing regarding the financing is required by federal tax law. Today's hearing is part of a larger process and no decision or approval will be made here today. Any comments will be heard and recorded for the Board of Directors. The Board of Directors will then have the discretion to consider actions approving the issuance of the tax-exempt financing for the cogeneration project.

CEO Jantz opened the hearing and invited the members of the public to speak about the proposed financing. No member of the public spoke. Mr. Jantz advised that no written comments were received, and Counsel Scott advised that a notice of hearing was properly published in the San Diego Union Tribune. There being no oral or written testimony from the public, CEO Jantz declared the hearing closed.

G. REPORTS/DISCUSSION/POSSIBLE ACTION ITEMS:

1. Sharp Grossmont Hospital Report

Chief Operating Officer Maryann Cone reported on the current activities and indicated the Hospital will be entering into an additional one-year contract with Rady Children's Hospital. The Hospital is also very busy with certifications and recognitions and has received the Gold Award from the American Heart Association for the cardiac program; they received recognition for their Cardio Rehab Unit. Ms. Cone reported that the Hospital also had a survey of the stroke program for the Joint Commission and received certification. Last week was Hospital Week, National Medical Lab Professionals Week, and Nurses Week, where five individuals were recognized as nurses in excellence. The memorial service for Dr. Jeffrey Marxen was recently held and well-attended.

Dr. Long thanked Ms. Cone for her report.

2. Community Grants & Sponsorships Committee

a) Consideration of Grants Policy for FY 2012-13.

Director Chadwick reported that the Committee met on May 2, 2012, to review the Grants Policy. There were no new requests for sponsorships or grants, with \$25,000 remaining in the current grants budget. CEO Jantz noted that minor suggested changes were made by Dr. Long to the proposed Grants Policy, which is recommended by the Committee and included in the agenda package. Mr. Jantz reviewed the suggested changes for the Board. Mr. Jantz also clarified that the budget needs to be adopted next month before any grants are approved for FY 2012-13.

After discussion, it was **moved by Director Chadwick, seconded by Director Emerson, and unanimously carried (5-0) to adopt the Grants Policy for FY 2012-13 as amended.**

3. G.O. Bond Committee

Director Ayres reported that the G.O. Bond Committee met on May 14, 2012, and he asked Mr. Tim Meehan, Senior Program Manager of the Program Management Team (PMT) to provide a project update report for the Board and public.

Mr. Meehan reviewed the Project Updates for May 2012, copies of which were handed out and which is also available to the public and posted on the District website.

Director Ayres thanked Mr. Meehan for his report.

4. Finance/Audit Committee

Director Ayres reported that the Committee met on May 15, 2012, and CFO Saiz reported on the financial statements for April 2012. The Committee will finalize the budget at its June meeting.

5. Facilities Committee

a) Quarterly Inspection of Grossmont Hospital

Director Long reported that the Committee met on April 27, 2012, and toured and inspected the Hospital's West Tower, and referred the Board to the report included in the agenda package.

6. Public Relations Report of Monthly Activities

Mr. Rick Griffin reported on public relations activities including publication of an advertisement about the Senior Health Fair being held in Santee today and planning for the Kids Care Fest to be held in September. The public information booklet is being reviewed for needed updates.

Director McElravy advised that she was requested to participate at Meet the Pharmacists in National City.

Director Emerson expressed thanks and appreciation to all those involved in the HealthCare Heroes Awards. It was a lot of effort on everybody's behalf and the recipients were very worthy.

7. Board Member Comments/Reports

- May 4, 2012 – East County Chamber of Commerce – First Friday Breakfast was attended by several Board members on behalf of the District.
- May 11-13, 2012 – Association of California Healthcare Districts Annual Meeting was attended by Director Emerson in Lake Tahoe; he brought back a LAFCO PowerPoint presentation to share with the Board members.
- May 16, 2012 – Annual Healthcare Heroes Luncheon – The Board expressed appreciation for recognition by the Hospital and for the

attendance of Tom Peterson, executive director of the Association of California Health Care Districts.

- May 17, 2012 – California Special Districts Association Quarterly Meeting was attended by Director Emerson. Educational Scholarships were awarded.

8. Staff Comments/Reports

None

H. MEMORIAL

Health care in today's East County has been shaped, built, and nurtured by the inspiration, sacrifice, and hard work of the men and women who have made East County a healthier and better place to live and work. Director Long reported that today we remember the health care contributions and service of the following individuals in the East County:

John Arthur Bishop, M.D.

I. INFORMATIONAL ITEMS &

J. FUTURE EVENTS:

President McElravy invited the Board's attention to the Information Items and Future Events in the Board packet.

K. CLOSED SESSION:

On motion duly made, seconded, and unanimously carried, the Board adjourned to closed session for a conference with legal counsel pursuant to Health & Safety Code section 32155 (Grossmont Hospital Quality Assurance Report) and Trade Secrets pursuant to Health & Safety Code section 32106.

L. REPORT AFTER CLOSED SESSION:

Counsel Scott reported that the Board received and discussed the reports and no action was taken.

M. NEXT SCHEDULED MEETING(S):

- **Monday, June 4, 2012, 7:30 a.m.**, Grossmont Healthcare District Conference Center, 9001 Wakarusa Street, La Mesa
- **Friday, June 15, 2012, 7:30 a.m.**, Grossmont Healthcare District Conference

Center, 9001 Wakarusa Street, La Mesa

N. ADJOURNMENT:

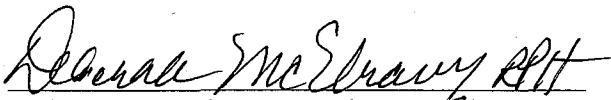
There being no further business, on **motion duly made, seconded, and unanimously carried, the Board adjourned at 10:10 a.m.**

Respectfully submitted,



Robert Ayres, Secretary

ATTEST:


Deborah McElravy, R.Ph., President