

LEASE AGREEMENT

BETWEEN

GROSSMONT HOSPITAL DISTRICT

AND

GROSSMONT HOSPITAL CORPORATION

DATED MAY 29, 1991

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LEASE AGREEMENT

This Lease Agreement (the "Lease"), entered into as of May 29, 1991, by and between Grossmont Hospital District, a political subdivision of the State of California organized and existing pursuant to the Local Hospital District Law (Div. 23 of the Health & Safety Code) (the "Landlord"), and Grossmont Hospital Corporation, a California nonprofit public benefit corporation (the "Tenant"), is made with reference to the following facts:

RECITALS:

A. Landlord owns and operates Grossmont Hospital (the "Hospital"), a general acute care hospital located in La Mesa, California, licensed to operate 465 beds.

B. Tenant's sole member is San Diego Hospital Association, a California nonprofit public benefit corporation ("SDHA"). SDHA is the parent corporation of a multi-hospital health care system consisting of three nonprofit hospitals and other health care facilities located in San Diego, County, California, as well as a nonprofit hospital under development in Riverside County, California.

C. The Board of Directors of Landlord has determined that it will best serve the interests of Landlord and the communities served by Landlord to lease the Hospital to Tenant for a term of thirty (30) years pursuant to Section 32126 of the California health and Safety Code.

D. The Lease is intended to promote the Landlord's and Tenant's objectives as set forth in a certain Affiliation Agreement between Landlord and SDHA dated May 29, 1991 and to which this Lease is attached as an Exhibit (the "Affiliation Agreement").

E. The Board of Directors of the Landlord, deeming the lease of the Hospital to Tenant pursuant to the terms and conditions set forth in this Lease to be desirable and in the best interest of the communities served by the Landlord, has approved this Lease.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants and agreements contained in this Lease, the parties to this Lease hereby agree as follows:

**ARTICLE 1
PREMISES AND TERM**

1.1 Lease. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, on the terms and conditions set forth in this Lease, the real property described in Schedule 1.1 attached hereto and incorporated herein by this reference, together with all buildings, appurtenances, improvements and fixtures located thereon and all personal property owned by Landlord on the Closing Date (as defined in Article 2 of the Affiliation Agreement) and used in the operation of the Hospital, including without limitation all furniture, machinery, equipment, trade fixtures, tools, signs and other personal property. A schedule of all such material items of personal property is maintained by the Landlord at the Hospital. Such real and personal property is referred to collectively as the "Leased Premises."

1.2 Term. Subject to any extension of the Lease pursuant to Section 15.15 or 16.13 hereof, the term of this Lease shall be for thirty (30) years, commencing at 12:01 A.M. on May 29, 1991 and shall terminate on May 29, 2021.

**ARTICLE 2
RENT AND OTHER PAYMENTS**

2.1 Rent. Rent shall become payable in installments during the term of this Lease in the amounts and on the dates set forth on

the payment schedule attached as Schedule 2.1. Notwithstanding the payment schedule set forth on Schedule 2.1, Tenant unconditionally agrees to make rental payments to Landlord at least equal to the payments required to be made by Landlord under that certain indenture, dated as of December 1, 1985, between Landlord and Bank of America National Trust and Savings Association, as trustee, and under that certain indenture, dated as of November 1, 1987 between the Landlord and Bank of America National Trust and Savings Association, as trustee (together, the "Grossmont Indentures"), on or before the dates on which such payments are due ("Grossmont Indentures Rental Payments"). Grossmont Indentures Rental Payments shall include, without limiting the generality of the foregoing, payments of principal of and interest and premium, if any, on the revenue bonds issued pursuant to the Grossmont Indentures, any fees and expenses of the trustees under the Grossmont Indentures, and any payments to the Renewal and Replacement Funds established under the Grossmont Indentures. Tenant shall make the rental payments to Landlord at its principal office in La Mesa, California, or to any individual or entity to which Landlord directs that the payments shall be made. Any Grossmont Indentures Rental Payments made by Tenant shall be credited against the payment schedule attached as Schedule 2.1 as rental payments hereunder. Any Grossmont Indentures Rental Payments in excess of the amounts described in Schedule 2.1 shall constitute prepaid rent. Rent may be prepaid in whole or in part at any time or from time to time; provided, however, that no such prepayment shall relieve Tenant from the obligation to make Grossmont Indentures Rental Payments if such prepaid rent is not sufficient or available for such purposes. Any advance refunding, redemption, or refinancing of amounts due under the Grossmont Indentures or the revenue bonds issued pursuant to the Grossmont Indentures paid for by Tenant shall constitute a prepayment of rent required to be paid pursuant to Schedule 2.1 in an amount equal to the total funds paid by the Tenant to accomplish such refunding, redemption or refinancing, including without

limitation all costs, expenses, premiums, interest and other amounts paid in connection with such refunding, redemption or other refinancing. After all amounts payable under the Grossmont Indentures have been paid, the rent payable hereunder for the balance of the term or extended term, after crediting any prepaid rent pursuant to this section, shall be \$1.00 per year.

2.2 Taxes and Assessments. Tenant shall pay all real and personal property taxes, general and special assessments, and other charges of every description levied on or assessed against the Leased Premises, improvements or personal property located on or in the Leased Premises, the leasehold estate or any subleasehold estate, to the full extent of installments falling due during the term, whether belonging to or chargeable against Landlord or Tenant. Tenant shall also pay any municipal, county, state, or federal income or franchise taxes chargeable against Tenant. The foregoing shall not relieve any third party from any liability it may have for the payment of taxes relating to any part of the Leased Premises, such as any real property taxes levied or assessed against or attributable to a sublease of any portion of the Leased Premises. This Lease may create a possessory interest subject to property taxation and the Tenant will be subject to the payment of any property taxes levied on such interest.

2.3 Right to Contest Taxes. Tenant may contest the legal validity or amount of any taxes, assessments, or charges for which Tenant is responsible under this Lease, and may institute such proceedings as Tenant considers necessary. If Tenant contests any such tax, assessment, or charge, Tenant may withhold or defer payment or pay under protest and such act shall not constitute a default under this Lease, provided that Tenant indemnifies and holds Landlord and the Leased Premises harmless from any damage arising out of the proceedings or contest and shall insure the payment of such contested taxes and assessments, including all penalties and interest that may accrue thereon. Landlord appoints Tenant as Landlord's attorney-in-fact for the purpose of making all

payments to any taxing authorities and for the purpose of contesting any taxes, assessments, or charges, conditioned upon Tenant's preventing any liens from becoming levied on the Leased Premises or Landlord (other than the statutory lien of Revenue and Taxation Code Section 2187).

2.4 Landlord's Right to Pay Taxes. Section 2.3 notwithstanding, Landlord shall have the right to pay any taxes to be paid by Tenant pursuant to Section 2.2, provided Landlord reasonably believes that failure to pay such taxes would create a substantial risk that all or any part of the Leased Premises would be taken or sold by the taxing authority. If Landlord pays any taxes pursuant to this Section, Tenant shall, on demand, immediately reimburse Landlord for the amount of taxes so paid and any penalties or costs associated with such payment.

2.5 Utilities. Tenant shall, during the term of this Lease, or any renewal or extension thereof, pay for all utilities used upon the Leased Premises, including without limitation water, gas, heat, light, power, telephone service, refuse collection and removal, and all other services supplied to the Leased Premises.

ARTICLE 3

USE, MAINTENANCE AND IMPROVEMENTS

3.1 Limitations on Use. Tenant shall use the Leased Premises for operating and maintaining a nonprofit, community hospital and related health care uses, and for such ancillary uses as are not inconsistent with such hospital or related health care uses, and for no other uses. Tenant shall operate and maintain the Leased Premises for the benefit of the communities served by the Landlord.

3.2 Compliance with Laws, Covenants, Conditions, and Restrictions. Tenant agrees to use the Leased Premises in compliance with all laws, ordinances, and other governmental regulations now in force or which may hereafter be in force relative to the Leased Premises, its use and the business conducted

thereon, including without limitation all building requirements and regulations. Tenant further agrees to use the Leased Premises in compliance with all covenants, conditions, and restrictions applicable thereto. The judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding against Tenant, regardless of whether Landlord is a party to such action or proceeding, that Tenant has violated any such laws, ordinances, governmental regulations or such covenants, conditions and restrictions shall be conclusive of such fact as between Landlord and Tenant. Tenant, at its sole cost and expense, shall have the right to contest the applicability, validity, interpretation, construction or noncompliance of or with any law, ordinance, regulation, covenant, condition and restriction now or hereafter in force and relating to Tenant or the Leased Premises. Tenant shall diligently and expeditiously prosecute the appropriate proceeding, contest, or appeal and Tenant's noncompliance shall not be deemed a default under this Lease provided that Tenant concurrently delivers to Landlord reasonable security to indemnify Landlord from any lien, charge or liability that may be incurred by Landlord by reason of Tenant's noncompliance. Landlord shall not be required to join in any proceeding or contest brought by Tenant unless the provisions of any law require that the proceeding, contest or appeal be brought by or in the name of Landlord or any owner of the Leased Premises. In that case, Landlord shall join in the proceeding, contest or appeal or permit the same to be brought in Landlord's name as long as Landlord is not required to bear any cost. If Tenant, within a reasonable time after final determination of the proceeding, contest, or appeal, complies with the final determination resulting therefrom, the noncompliance of Tenant during the interim period shall not be deemed a default under this Lease.

3.3 Waste; Quiet Enjoyment. Tenant shall not commit or suffer to be committed any waste upon the Leased Premises. Landlord covenants and agrees that Tenant shall peacefully hold and

enjoy the Leased Premises during the term hereof or any extension or renewal hereof, without interference or hindrance from Landlord or any person or persons holding or claiming under Landlord in any manner whatsoever. Landlord shall not exercise its power of eminent domain in any manner which would interfere with Tenant's operation of the Leased Premises.

3.4 Maintenance of Premises. Tenant shall, at its sole cost and expense, maintain the Leased Premises in good condition and repair and in accordance with all applicable laws, rules, ordinances and regulations of governmental agencies. Landlord shall not have any responsibility to maintain the Leased Premises. Tenant hereby waives all right to make repairs at the expense of Landlord and to deduct the cost thereof from the rent. All rights under California Civil Code Section 1932(1), 1941 and 1942 or any law in replacement thereof, are hereby waived and released.

3.5 Alterations, Additions and Improvements. Tenant may make any alterations, additions or improvements to the Leased Premises, provided that they are consistent with the limitations on use contained in Section 3.1. Landlord agrees to transfer to Tenant any and all funds on deposit from time to time in the Renewal and Replacement Funds established under the Grossmont Indentures upon receipt by Landlord of a certificate of the Tenant to the effect that such funds will be used for a purpose permitted by the Grossmont Indentures. Title to all alterations, additions or improvements to the Leased Premises shall revert automatically to Landlord upon termination of this Lease and Landlord shall not be obligated to make any payments therefor.

3.6 Ownership. Upon expiration or other termination of this Lease:

(a) Full title to the Leased Premises shall revert automatically to Landlord and Landlord shall not be obligated to make any payment therefor.

(b) Subject to Landlord's obligations under Section 5.3 hereof, Tenant shall transfer and assign to Landlord any movable

furniture, machinery, equipment, trade fixtures, tools, signs, supplies, and other personal property owned by Tenant and located at the Leased Premises. Landlord shall not be obligated to make any payment therefor.

ARTICLE 4
INSURANCE

4.1 Compliance with Insurance Requirements. No use shall be made by Tenant or permitted by Tenant to be made on, to or of the Leased Premises, nor acts done, which will cause the cancellation of any insurance policy covering the Leased Premises, nor shall Tenant sell or permit to be kept, used or sold in and about the Leased Premises, any article which may be prohibited by any such insurance policy. Tenant shall, at its sole cost and expense, comply with any and all requirements pertaining to the Leased Premises, of any insurance organization or company, necessary for the maintenance of the insurance described in this Lease. Tenant shall comply with the insurance requirements set forth in any loan agreement or indenture to which the Landlord is a party in connection with the District Bonds, for so long as any such loan agreement or indenture is in effect.

4.2 Insurance Required. Tenant shall keep the Leased Premises, including the Hospital and all of its operations, and all of Tenant's property adequately insured at all times and carry and maintain such insurance (including professional liability insurance) in amounts that are customarily carried, subject to the availability of such insurance at commercially reasonable prices and customary deductibles, and against such risks as are customarily insured against by other corporations in connection with the ownership and operation of hospital facilities of similar character and size in California. The Tenant further covenants and agrees to have its insurance coverage reviewed at least every three (3) years by an independent insurance consultant, qualified by

training and experience to perform hospital insurance consultation, and to comply with the reasonable recommendation of the consultant, provided Tenant's board of directors determines that such recommendation is in the best interests of Tenant. In lieu of maintaining insurance coverage, Tenant shall have the right to adopt such alternative risk management programs as Tenant's board of directors determines to be reasonable and which shall not have a material adverse effect on reimbursement from third party payors, including, without limitation, to self-insure in whole or in part individually or in connection with other institutions, to participate in programs of captive insurance companies, to participate with other health care institutions in mutual or other cooperative insurance or other risk management programs, to participate in state or federal insurance programs, to take advantage of state or federal laws now or hereafter in existence limiting medical malpractice liability, or to establish or participate in other alternative risk management programs; all as may be approved by Tenant's board of directors. Such plan shall be reviewed every year by an independent actuary who will provide a report thereof to the Landlord . Such plan will provide for actuarially sound reserves. In the event the Tenant shall terminate such self-insurance plan and obtain commercial insurance, such plan shall thereafter be maintained on an actuarially sound basis in accordance with the report of the insurance actuary.

4.3 Insurers; Policy Forms and Loss Payees. Each insurance policy maintained by the Tenant shall be carried by stock, reciprocal or mutual insurance companies which are financially responsible and capable of fulfilling the requirements of such policies. All such policies (except liability policies) shall name the Landlord and the Tenant as insured parties, beneficiaries or loss payees as their interest may appear. Landlord, its board of directors, officers, and employees, shall be named as additional insureds on all liability insurance policies. Each policy shall be in such form and contain such provisions as are generally

considered standard for the type of insurance involved and shall contain a provision to the effect that the insurer shall not cancel or substantially modify the policy provision without first giving at least thirty (30) days' written notice thereof to the Landlord and to the Tenant. In lieu of separate policies, the Tenant may maintain blanket policies which cover any one or more risks required to be insured against so long as the minimum coverages required herein are met. The Tenant shall file annually with the Landlord a certificate signed by an officer of Tenant setting forth the policies of insurance maintained pursuant to this Lease, the names of the insurers and insured parties, the amounts of such insurance and applicable deductibles, the risks covered thereby and the expiration dates thereof.

4.4 Disposition of Insurance Proceeds. The proceeds of any insurance maintained under Section 4.2 shall be made available to Tenant for payment of costs and expenses of repair, subject to any requirements set forth in any loan agreement or indenture to which the Landlord is a party in connection with District Bonds.

4.5 Worker's Disability Compensation Law. The Tenant will at all times comply with the Worker's Disability Compensation law of the State of California, or any successor statute or statutes.

ARTICLE 5

ACCEPTANCE AND SURRENDER OF LEASED PREMISES

5.1 Acceptance of Premises. By entry hereunder, Tenant accepts the Leased Premises as is on the date of commencement of the term of this Lease.

5.2 Surrender of Premises; Transfer of Assets. On the last day of the term or sooner termination of this Lease, Tenant shall surrender unto Landlord the Leased Premises and any leased personal property not disposed of pursuant to Section 10.2, in the same condition as when received, normal wear and tear excepted, together with all of Tenant's patient records relating to the Hospital,

including without limitation the items listed in Title 22, Section 71549 in the California Code of Regulations or any successor regulation of similar effect, and all records and books relating to the Leased Premises. Tenant shall also transfer to Landlord all of Tenant's property, both real and personal, and all other assets of Tenant including, without limitation, inventory, supplies, accounts receivable and cash, and Landlord shall not be liable for any payment therefor. Tenant shall also cooperate with Landlord in obtaining the transfer and assignment to Landlord of all licenses, permits and contracts with third-party payors for health care services related to the operation of the Leased Premises.

5.3 Assumption of Liabilities or Installment Sale Agreement; Pledge of Revenues. As a condition to Tenant's obligations pursuant to Section 5.2 hereof, Landlord shall pledge in writing all of the revenues from the operation of the Leased Premises as security for the payment of all of Tenant's obligations under any Indenture and either:

5.3.1 Execute and deliver to Tenant an Assumption Agreement ("Landlord's Assumption Agreement") providing that Landlord assumes all of Tenant's liabilities pursuant to terms substantially identical to Section 4 of a certain Transfer Agreement between Landlord and Tenant dated the date of this Lease and deliver to Tenant an opinion of counsel reasonably acceptable to Tenant to the effect that Landlord's Assumption Agreement constitutes a valid and binding obligation of Landlord, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion; or

5.3.2 Execute and deliver to Tenant (a) an installment sale agreement providing for the purchase by Landlord, on an installment basis, of the additions to and improvements to the Leased Premises financed with the proceeds of any outstanding obligations of Tenant, with installment payments sufficient to pay

the principal of and interest and premium, if any, on such obligations as they become due, and (b) a Landlord's Assumption Agreement providing that Landlord assumes any additional Tenant liabilities pursuant to terms substantially identical to Section 4 of a certain Transfer Agreement between Landlord and Tenant dated the date of this Lease; and deliver to Tenant an opinion of counsel reasonably acceptable to Tenant to the effect that the installment sale agreement and the Landlord's Assumption Agreement constitute valid and binding obligations of Landlord, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion.

5.4 Withdrawal from Obligated Group. Upon surrender of the Leased Premises and transfer of all of Tenant's assets to Landlord as described in Section 5.2 and compliance with the provisions of Section 5.3, Landlord may, or, upon written request of the Landlord, Tenant shall, exercise any right that Landlord or the Tenant may have under any Indenture to withdraw from an Obligated Group and be released from further liability or obligation under the provisions of such Indenture, including a release or termination of the security interest in revenues created under the Indenture, upon compliance with all conditions to withdrawal contained in any such Indenture.

5.5 Arbitration of Disputes. Any dispute under this Article 5 shall be referred to binding arbitration in the manner provided in this Lease.

ARTICLE 6

DESTRUCTION DURING TERM OF LEASE

6.1 Restoration of Leased Property. If during the term of this Lease or any renewal hereof, the Leased Premises shall be partially or totally destroyed, whether or not from a risk covered

by insurance, Tenant shall promptly and expeditiously make the repairs necessary to restore the Leased Premises to a condition for occupancy or use comparable to the condition thereof before such destruction, if the work so required does not result in substantial repairs to the facility which are not commercially feasible. Such destruction shall not terminate this Lease. If the cost of such repairs exceeds a commercially feasible amount, taking into account Tenant's financial condition, Tenant may nevertheless repair, restore and replace the Leased Premises, or Tenant may, by notice to Landlord, elect instead either to (i) demolish and reconstruct the improvements which were damaged or destroyed, or (ii) not reconstruct such improvements and terminate this Lease. If Tenant elects such termination right, it shall have no further liability under this Lease. All repairs and restorations shall be deemed a part of the Leased Premises and belong solely to Landlord, and Tenant shall not have any right to reimbursement or refund upon termination of this Lease. Any dispute regarding the scope of Tenant's obligations hereunder shall be decided by binding Arbitration in the manner provided in this Lease.

6.2 No Abatement of Rent; Insurance Proceeds. In no event shall Tenant be entitled to any compensation or damages on account of any annoyance or inconvenience on making repairs or on account of such destruction. Tenant shall not be entitled to any abatement or reduction of rent while such repairs are being made and, unless this Lease is terminated, Tenant shall continue to pay the monthly rent payable pursuant to Section 2.1; provided, however, there shall be credited against such basic rent any insurance proceeds payable to or received by Landlord by reason of any business interruption insurance, procured and maintained by Tenant. If the Leased Premises are to be repaired in accordance with this Lease, Tenant hereby waives the provisions contained in California Civil Code Sections 1932(2) and 1933(4) or any laws replacing or modifying such provisions. Tenant shall be entitled to all insurance proceeds payable pursuant to any policy maintained by

Tenant to cover Tenant's property located on the Leased Premises, subject to any requirements set forth in any loan agreement or indenture to which the District is a party in connection with District Bonds. Each of the parties hereto agrees to sign any and all documents required by the other party or the insurance company or companies that may be necessary for use in connection with the settlement of any loss under the appropriate insurance policies, provided that such documents are factually accurate and in no manner prejudicial to the interest of such party.

**ARTICLE 7
CONDEMNATION**

In the event that the Leased Premises or any portion thereof are taken by eminent domain, or by inverse condemnation, or for any public or quasi-public use under any statute, the rights of the parties with respect to the term, the rent and the award shall be as the parties then agree to be just and equitable under all the circumstances, regardless of any technical rule of law, considering the rights of any leasehold, fee or mortgage, the economics of operating any remaining portion of the Leased Premises and improvements, the cost of restoration, and the balance of the term remaining, among other relevant considerations. If Landlord and Tenant do not agree within sixty (60) days after the amount of the award is finally determined, the undecided questions shall be decided by binding arbitration in the manner provided in this Lease. The foregoing notwithstanding, the disposition of any such award shall be governed by the provisions of any indenture, loan agreement, deed of trust or similar document relating to any obligation of Tenant outstanding as of the date of the receipt of such award.

ARTICLE 8

DEFAULT

8.1 Events of Default. Each of the following events shall be a default by Tenant and a breach of this Lease:

8.1.1 Abandonment, vacation or surrender of the Leased Premises or of the leasehold estate by Tenant, or failure or refusal to pay when due any installment of rent or other sum required by this Lease to be paid by Tenant, or failure by Tenant to perform or observe any other covenant or condition of this Lease to be performed or observed by Tenant, including, without limitation, the covenant regarding assignment of this Lease.

8.1.2 Tenant causing, permitting or suffering to be done any act (a) required by this Lease to have the prior written consent of Landlord, unless such consent is so obtained, or (b) prohibited by this Lease.

8.1.3 The subjection of any right or interest of Tenant to attachment, execution, or other levy, or to seizure under legal process, if not released within thirty (30) days.

8.1.4 The appointment of a receiver to take possession of the Leased Premises or improvements, or of Tenant's interest in the leasehold estate or of Tenant's operations on the Leased Premises for any reason.

8.1.5 Tenant shall commence a voluntary case or other proceeding under the laws of any jurisdiction seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law, or seeking the appointment of a trustee, self trusteeship, receiver, 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 an assignment for the benefit of creditors; or shall generally not pay its debts as they become due or not be able to pay its debts as

they become due; or admit in writing its inability to pay its debts as they become due; or shall take any corporate action to authorize any of the foregoing.

8.1.6 An involuntary case or other proceeding shall be commenced under the laws of any jurisdiction against Tenant seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, 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 thirty days or a trustee, receiver, custodian or other official shall be appointed in such involuntary case.

8.1.7 To the extent permitted by law, the provisions of Sections 8.1.3, 8.1.4, and 8.1.5 shall take precedence over Section 8.1.6. So long as the provisions of Sections 8.1.3, 8.1.4, and 8.1.5 authorizing termination of the Lease upon bankruptcy of Tenant are unenforceable under the bankruptcy law, then the following provisions shall apply:

(a) In the event that Tenant files a petition for relief under any chapter of the Bankruptcy Code, and Tenant's trustee or Tenant, as debtor-in-possession, has failed to perform all of Tenant's obligations under this Lease within the time periods required for such performance, no election by Tenant's trustee or Tenant, as debtor-in-possession, to assume this Lease shall be effective unless each of the following conditions has been satisfied:

(1) Tenant's trustee or Tenant, as debtor-in-possession, has cured all defaults under this Lease, or has provided Landlord with Assurance (as defined below) that it will cure all defaults susceptible of being cured by the payment of money within 60 days from the date of such assumption and that it will cure all other defaults under this Lease which are susceptible

of being cured by the performance of any act promptly after the date of such assumption.

(2) Tenant's trustee or Tenant, as debtor-in-possession, has compensated, or has provided Landlord with Assurance that within 60 days from the date of such assumption it will compensate Landlord, or provide adequate assurance that Landlord will be compensated, for any actual pecuniary loss payable to Landlord in accordance with the provisions of this Lease and incurred by Landlord arising from the default of Tenant, Tenant's trustee, or Tenant, as debtor-in-possession, as indicated in any statement of actual pecuniary loss sent by landlord to Tenant's trustee or Tenant, as debtor-in-possession.

(3) Tenant's trustee or Tenant, as debtor-in-possession, has provided Landlord with Assurance of the future performance of each of the obligations under this Lease of Tenant, Tenant's trustee or Tenant, as debtor-in-possession, and, if Tenant's trustee or Tenant, as debtor-in-possession, has provided such Assurance, Tenant's trustee or Tenant, as debtor-in-possession, shall also deposit with Landlord, as security for the timely payment of rent hereunder, an amount equal to one year's Rent (at the rate then payable) which shall be applied to installments of Rent in the inverse order in which such installments shall become due provided all the terms and provisions of this Lease shall have been complied with. The obligations imposed upon Tenant's trustee or Tenant, as debtor-in-possession, by this paragraph shall continue with respect to Tenant or any assignee of this Lease after the completion of bankruptcy proceedings.

(4) For purposes of this Section 8.1.7, Landlord and Tenant acknowledge that "Assurance" shall mean no less than: Tenant's trustee or Tenant, as debtor-in-possession, has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to

assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease.

(b) In the event that this Lease is assumed and not assigned in accordance with Section 8.1.7(a) and thereafter Tenant files a subsequent petition for reorganization or adjustment of debts under Chapter 11 or such other applicable section of the Bankruptcy Code, Landlord may, at its option, terminate this Lease and all rights of Tenant hereunder by giving Tenant notice of its election to so terminate within 30 days after the occurrence of either of such events.

(c) If Tenant's trustee or Tenant, as debtor-in-possession, has assumed this Lease pursuant to the terms and provisions of Section 8.1.7(a) for the purpose of assigning (or elects to assign) this Lease, this Lease may be so assigned only if the proposed assignee has provided adequate assurance of future performance of all of the terms, covenants and conditions of this Lease and of any agreements collateral to this Lease to be performed by Tenant. Landlord shall be entitled to receive all cash proceeds of such assignment to the extent of amounts due or payable by Tenant to Landlord hereunder. As used herein "adequate" assurance of future performance" shall mean that no less than that each of the following conditions has been satisfied:

(1) The proposed assignee has furnished Landlord with either (i) a current financial statement audited by a Certified Public Accountant indicating a net worth and working capital in amounts which Landlord reasonably determines to be sufficient to assure the future performance by such assignee of Tenant's obligations under this Lease or (ii) a guaranty or guaranties, in form and substance satisfactory to Landlord, from one or more persons with a net worth equal to or in excess of \$60,000,000, which amount is not more than the net worth of Tenant at the time of commencement of this Lease. The minimum net worth amount described in the preceding sentence shall be subject to adjustment at the commencement of the second year of the term of

this Lease and each year thereafter (the "Adjustment Date") as follows:

The base for computing the adjustment is the Consumer Price Index (all items) for the San Diego Metropolitan Area, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is in effect on the date of the commencement of the term ("Beginning Index"). The Index published most immediately preceding the adjustment date in question ("Extension Index") is to be used in determining the amount of the adjustment. If the Extension Index is increased over the Beginning Index, the minimum net worth amount for the following year until the next net worth adjustment shall be determined by multiplying the minimum net worth amount set forth above by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. In no case shall the minimum net worth amount be less than Sixty Million Dollars. If the Index is changed so that the base year differs from that in effect when the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same economic effect as intended by the parties.

(2) Landlord has obtained all consents or waivers from others required under any loan agreement, bond indenture, financial arrangement or other agreement by which Landlord is bound to permit Landlord to consent to such assignment.

(3) The proposed assignment will not release or impair any guaranty of the obligations of Tenant (including the proposed assignee) under this Lease.

(4) In the opinion of nationally recognized bond counsel, the proposed assignment will not adversely affect the tax-exempt status of bonds issued by or for the benefit

of Landlord or Tenant or for the benefit of any obligated group of which Tenant is a member.

(d) When pursuant to the Bankruptcy Code, Tenant's trustee or Tenant, as debtor-in-possession, shall be obligated to pay reasonable use and occupancy charges for the use of the Premises, such charges shall not be less than the Rent payable by Tenant under this Lease.

8.1.8 It is understood and agreed that all covenants and agreements of Tenant contained in this Lease are conditions and Tenant's failure to observe or perform any of the same shall constitute a default by Tenant. If any such default by Tenant continues uncured following notice of default as required by this Lease for the applicable period set forth in Section 8.3, Landlord may, at any time thereafter, elect to terminate this Lease.

8.1.9 Tenant's material default in the performance or observance of any of the terms and provisions of the Transfer Agreement between Landlord and Tenant (the "Transfer Agreement"), or San Diego Hospital Association's material default in the performance or observance of any of the terms and provisions of the Affiliation Agreement between San Diego Hospital Association and Landlord, shall constitute a default under the terms of this Lease. If any such default by Tenant or San Diego Hospital Association continues uncured following notice of default as required by this Lease for the applicable period set forth in Section 8.3, Landlord may, at any time thereafter, elect to terminate this Lease.

8.2 Notice and Right to Cure. As a condition to pursuing any remedy for an alleged default of Tenant, Landlord shall give written notice of default to Tenant, SDHA and to any Trustee under any Indenture, provided any such trustee has given Landlord written notice of its desire to receive any notices of default. Each notice of default shall specify in detail the alleged event of default.

exercising any of its other rights or remedies under this section 8.4.

(c) The right of termination contained in this Section 8.4.1. may be exercised only if prior to the termination becoming effective, Landlord shall have, pursuant to Section 5.3 hereof, assumed in writing all of Tenant's liabilities pursuant to Landlord's Assumption Agreement and shall have pledged in writing all of the revenues from the operation of the Leased Premises as security for the payment of all of Tenant's obligations under any Indenture.

8.4.2 Landlord may at Landlord's election use Tenant's furniture, equipment, trade fixtures and other personal property, without compensation and without liability for use or damage, or store them for the account and at the cost of Tenant. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item, or for the same item at a later time.

8.4.3 Landlord shall be entitled at Landlord's election to each installment of rent or to any combination of installments for any period before termination, plus interest thereon at the maximum rate permitted by applicable law. Rents received from reletting or attornment shall be applied, when received, as follows:

(i) To Landlord to the extent that such rents and subrents for the period covered do not exceed the amount due from and charged to Tenant for the same period, and

(ii) The balance to Tenant.

8.4.4 (a) Tenant assigns to Landlord all subrents and other sums falling due from the tenants, licensees and concessionaires (referred to as "subtenants") during any period in which Landlord has the right under this Lease, whether exercised or not, to enter the Leased Premises because of Tenant's default, and Tenant shall not have any right to such sums during that period. This assignment is subject and subordinate to any and all assign-

8.3 Tenant's Right to Cure. If the alleged default is nonpayment of rent, taxes, or other sums to be paid by Tenant as provided in the Section on rent or elsewhere in this Lease, Tenant shall have fifteen (15) days after notice is given to cure the default. For the cure of any other default, Tenant shall promptly and diligently after notice commence curing the default and shall have a reasonable period of time, in light of the circumstances, to complete the cure. Any Trustee entitled to receive a notice of default pursuant to Section 8.2 shall be entitled directly or through a third party appointed by such Trustee, to cure any event of default hereunder, and Landlord shall accept such performance as if by Tenant, provided such cure is completed within the time period specified in this Section 8.3.

8.4 Remedies. If any default by Tenant hereunder or under the Transfer Agreement, or by San Diego Hospital Association under the Affiliation Agreement, continues uncured following notice of default as required by this Lease for the period applicable to the default under the applicable provision of this Lease, Landlord has the following remedies in addition to the rights and remedies provided by law or equity to which Landlord may resort cumulatively or in the alternative, except as otherwise stated below:

8.4.1 (a) Landlord may at its election terminate this Lease by giving Tenant notice of termination. On the giving of notice, all Tenant's rights in the Leased Premises and improvements shall terminate. Promptly after notice of termination, Tenant shall surrender and vacate the Leased Premises and all improvements in clean condition. Tenant shall also transfer and assign all of its assets to Landlord pursuant to Section 5.2 hereof.

(b) Termination under this subsection 8.4.1 shall relieve Tenant from the obligation to pay any other sums then due to Landlord or from any claim for damages previously accrued or thereafter accruing against Tenant. The election of the remedy provided in this subsection 8.4.1 shall prohibit Landlord from

ments of the same subrents and other sums made to a mortgagee before the default in question. Landlord may, at Landlord's election, enter the Leased Premises and improvements, with or without process of law, without terminating this Lease, and either collect those sums or bring action for the recovery of the sums directly from such obligers, or both. Landlord shall receive and collect all subrents and apply them in the following order of priority:

(i) Payment of reasonable expenses (including attorneys' fee and broker's commissions) paid or incurred by Landlord in recovering possession, placing the Leased Premises and improvements in good condition, and preparing or altering the Leased Premises or improvements for reletting;

(ii) Reasonable expense of securing new lessees;

(iii) Fulfillment of Tenant's covenants at the end of the term;

(iv) Future installments of rent.

(b) Tenant shall, nevertheless, pay to Landlord on the due dates specified in this Lease, the equivalent of all sums required of Tenant under this Lease, plus Landlord's expenses, less the sums assigned and actually collected under this provision. Landlord may proceed to collect either the assigned sums or Tenant's balances or both, or any installment of them, either before or after the expiration of the term, but the applicable statute of limitations shall not begin to run on Tenant's payments until the due date of the final installment to which Landlord is entitled, nor shall it begin to run on the payments of the unassigned sums until the due date of the final installment due from the respective obligers.

(c) The foregoing notwithstanding, the order of application of all rents collected by Landlord from reletting shall be subordinate to the payment of debt service with respect to any indebtedness of Tenant relative to any Indenture, subject to the provisions of the Grossmont Indentures.

8.5 Landlord's Right to Cure Default. In the event Tenant shall fail to pay and discharge or cause to be paid and discharged, when due and payable, any tax, assessment, or other charge upon or in connection with the Leased Premises, or any lien or claim for labor or material employed or used in, or any claim for damage arising out of, the construction, the repair, or restoration, replacement, and maintenance, and use of the Leased Premises, or any judgment on any contested lien or claim thereof, or any insurance premium or expense in connection with the Leased Premises, or any claim, charge or demand which Tenant has agreed to pay or cause to be paid under the covenants and conditions of this Lease, and if Tenant, after written notice from Landlord so to do as set forth in Section 8.3 shall fail to pay and discharge the same, then Landlord may, at its option, pay any such tax, assessment, insurance expenses, lien, claim, charge, or demand, or settle or discharge any action therefor, or judgment thereon. All costs, expenses, or other sums incurred or paid by Landlord in connection with any of the foregoing shall be paid by Tenant to Landlord together with interest thereon equal to the prime rate of Bank of America National Trust and Savings Association from the date incurred or paid. Any default in such payment shall constitute a breach of the covenants and conditions of this Lease. All amounts owing by Tenant hereunder shall constitute additional rent.

8.6 Waiver of Default. No waiver by Landlord or Tenant of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach of the same or any other of the terms, provision, and covenants herein contained. Forbearance by Landlord in enforcement of one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. The acceptance of any Rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall

not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.

ARTICLE 9
SURRENDER, HOLDING OVER

9.1 Surrender of Lease. The voluntary or other surrender of the Lease by Tenant, or a mutual cancellation or rescission thereof, shall not create a merger, and shall operate as an assignment to Landlord of all existing and valid subleases, subtenancies or contracts relating to the use or operation of the Leased Premises.

9.2 Holding Over. If Tenant shall, with the knowledge and consent of Landlord, continue to remain in possession of the Leased Premises after the expiration of the term of this Lease or any renewal or extension hereof, such holding over shall be on a month-to-month basis and shall not constitute a reletting or releasing on the Leased Premises. Such tenancy from month-to-month shall be at the same rental (prorated on a monthly basis) payable for the last year of the term of this Lease and upon the same terms and conditions herein specified and shall continue to be such until thirty (30) calendar days after Tenant shall have given to Landlord or Landlord shall have given to Tenant a written notice of termination of such monthly tenancy. Nothing contained herein shall be construed as a consent by Landlord to the occupancy or possession of the Leased Premises by Tenant after the expiration of the term hereof.

ARTICLE 10
RIGHT OF FIRST REFUSAL; DISPOSITION OF PERSONAL PROPERTY

10.1 Right of First Refusal. In the event Landlord, at any time during the term of this Lease, including any renewal or extension hereof, desires to sell, assign, or in any manner

transfer all or any portion of Landlord's interest in the Leased Premises, Landlord shall give to Tenant written notice of its intention to sell, assign or transfer such interest. Such notice shall name a bona fide proposed purchaser, assignee or transferee, the interest to be sold, assigned, or transferred, the purchase price and the other terms of payment. Tenant shall then have an option to purchase such interest for the price and on the terms set forth in the notice. If Tenant elects to exercise such option, Tenant shall send written notice of such election to Landlord by certified or registered mail within ninety (90) days after the giving of the original notice by Landlord. Such notice shall be accompanied by an opinion of nationally recognized Bond Counsel that the proposed sale, assignment or transfer shall not affect the tax exempt status of any District Bonds or any other indebtedness of Tenant outstanding at the time of such proposed transfer. Upon Tenant's timely exercise of such option, Landlord and Tenant shall cause such sale, assignment or transfer to be consummated within a reasonable time and shall execute and deliver all necessary documents. In the event Tenant fails to timely exercise such option, Landlord may sell, assign or transfer no less than all of such interest to the person and for the price and on the terms specified in the original notice. However, unless the sale, assignment or transfer to such other person is consummated within one hundred and eighty (180) days after the expiration of the ninety-day option period, Tenant's right of first refusal shall continue in existence and Landlord shall then be obligated to give notice from time of any intent to sell, assign, lease or transfer the Leased Premises.

10.2 Disposition of Worn Out Personal Property by Tenant. Prior to the expiration of the thirty (30) year term of this Lease, or any renewal term, and provided Tenant is not then in default under any of the terms and provisions of this Lease, Tenant shall have the right from time to time to dispose of any portion of the personal property which is obsolete, fully depreciated, worn out,

incapable of further use, or no longer necessary or useful for Tenant's business, and Landlord shall execute all documents necessary to release Landlord's right, title and interest in and to such personal property and enable Tenant to dispose thereof free and clear of all liens and encumbrances.

ARTICLE 11
PRIORITY, ESTOPPELS AND EASEMENTS

11.1 Priority. Except for encumbrances existing on the date of this Lease and the easements, covenants, conditions and restrictions created in accordance with Section 11.3, the leasehold estate created hereby is and shall be prior and superior to any deed of trust, mortgage or security lien ("Lien") hereafter placed upon the Leased Premises by Landlord.

11.2 Estoppel Certificate. Each party, within ten (10) business days after notice from the other party, shall execute and deliver to the other party in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of monthly rent, the dates to which the rent has been paid in advance, the amount of any security deposit or prepaid rent and the nature and extent of any then existing default or breach of this Lease by the party requesting the certificate. Failure to deliver the certificate within such ten-day period shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified and no default or breach exists, except as may be represented by the party requesting the certificate. If a party fails to deliver the certificate within such ten-day period, the party failing to deliver the certificate irrevocably constitutes and appoints the other party as its special

attorney-in-fact to execute and deliver the certificate to any third party. Any third party shall be entitled to conclusively rely upon any certificate delivered in accordance with this Section.

11.3 Easements, Restrictions. Landlord shall execute whatever documents Tenant reasonably requests to impose upon the Leased Premises such easements, covenants, conditions, and restrictions for parking, ingress, egress and utilities as are reasonably required by Tenant in connection with the orderly operation and development of the Leased Premises; provided that Landlord shall not be required to execute any such document which would have a material adverse effect upon the use of the Leased Premises as provided for in Section 3.1.

ARTICLE 12

REPRESENTATIONS AND WARRANTIES OF LANDLORD

12.1 Restatement of Affiliation Agreement Representations and Warranties. Landlord hereby makes for the benefit of Tenant each of the representations and warranties made by Landlord in the Affiliation Agreement, as of the date of this Lease.

12.2 Disclosure. No disclosure schedule, financial statement or exhibit delivered by Landlord to Tenant pursuant to this Lease contains any untrue statement of any material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading.

ARTICLE 13
REPRESENTATIONS AND WARRANTIES OF TENANT

13.1 Organization. Tenant is a nonprofit public benefit corporation, duly organized and existing and in good standing under the laws of the State of California, and has the full corporate right, power and authority to own its interest in the Leased Premises and to carry on its business. Tenant holds all necessary licenses, contracts, and approvals required by local, state and federal government, and any other regulatory agency necessary to properly conduct the business of the Hospital.

13.2 Authorization; Noncontravention. Tenant has the power to enter into this Lease and to carry out its obligations under this Lease. Tenant has taken all required action to approve and adopt this Lease and this Lease is a legally valid and binding agreement of Tenant, enforceable in accordance with its terms (except as may be limited by bankruptcy insolvency, moratorium or other similar laws affecting creditors' rights generally or by the application of equitable principles) and no other proceeding on the part of Tenant is necessary to authorize this Lease and the transactions contemplated by this Lease. The execution and delivery of this Lease and the consummation of the transactions contemplated by this Lease do not and will not (i) conflict with any provision of the Articles of Incorporation or Bylaws of Tenant or (ii) conflict with, violate or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance or claim of any nature whatsoever upon any properties or assets of Tenant or upon the Leased Premises pursuant to, any provision of any indenture, mortgage, deed of trust, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which Tenant is a party or to which Tenant or any of its properties or assets are bound or any applicable law, ordinance, regulation, decree or order of any court or governmental entity.

13.3 Consents. Tenant has obtained all consents, releases and permissions, whether from public authorities or otherwise, which may be required in connection with this Lease and with respect to any performance by Tenant of its obligations hereunder. Landlord agrees to use all reasonable effort and due diligence to assist Tenant in procuring such licenses, authorizations and consents from all appropriate agencies.

13.4 Tax Status. Tenant is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and under Section 23701d of the Revenue and Taxation Code of the State of California, and has received a ruling as to its tax-exempt status from the Internal Revenue Service and the Franchise Tax Board of the State of California, which rulings have not been revoked, rescinded or modified. Tenant has received a ruling from the Internal Revenue Service determining that it is other than a private foundation by virtue of Section 509(a)(1) of the Internal Revenue Code.

13.5 Litigation; Investigation. Except as set forth in Disclosure Schedule 13.5 previously delivered to Landlord,

13.5.1 No material investigation or review by any governmental entity with respect to Tenant is pending or, to the best of Tenant's knowledge, threatened, nor has any governmental entity indicated to Tenant an intention to conduct the same; and

13.5.2 There is no action, suit or proceeding pending or, to the best of Tenant's knowledge, threatened against or affecting Tenant, at law or in equity, or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which either singularly or in the aggregate would, if adversely determined, materially impair the ability of Tenant to perform Tenant's obligations under this Lease, or result in any material adverse change in the financial condition, properties, business, results of operations and prospects of Tenant.

13.6 Hospital License. Soon after the Closing Date Tenant will be duly licensed by the State of California to operate

Grossmont Hospital. Soon after the Closing Date Tenant will be certified for participation in the Medicare program and qualified for participation in the Medi-Cal program. The foregoing license and Medicare certification will be valid and in full force and effect soon after the Closing Date.

13.7 Brokers or Finders. No Broker or Finder is entitled to any brokerage or finder's fee or other commission or fee based upon arrangements made by or on behalf of Tenant relating to the transactions contemplated by this Lease.

ARTICLE 14
ADDITIONAL COVENANTS OF THE LANDLORD

14.1 Section 457 Plan. Landlord shall not make any further contributions to, or permit any further deferrals to be made under, the Section 457 Plan and Landlord shall not amend, modify or terminate the Section 457 Plan in such a manner as to cause participants' prior deferrals under the Section 457 Plan to be included in their gross income earlier than contemplated under the terms of the Section 457 Plan, as in effect on the date of this Lease, without the prior written consent of Tenant.

14.2 Performance of Bond Covenants. Landlord shall comply with and perform each of the terms and conditions of any indenture, loan agreement or other agreement of any kind whatsoever entered into by Landlord in connection with the District Bonds, including the timely payment of the principal of and interest on the District Bonds as such payments become due. Landlord covenants and agrees not to create a security interest or to pledge the revenues received from the operation of the Leased Premises to the repayment of indebtedness or otherwise, unless all indebtedness issued under any Indenture shall be secured on a prior or parity basis. After termination of the Lease and until final payment of all of Tenant's obligations under any Indenture, Landlord shall operate the

Hospital as a revenue producing, nonprofit community health care facility.

ARTICLE 15
ADDITIONAL COVENANTS OF TENANT

15.1 Continuous Operation. Tenant shall continuously operate Grossmont Hospital as a community hospital and related health care institution. Tenant shall use its best efforts to operate the Leased Premises and its health facilities in a manner that will maximize the availability of quality health care services to the communities served by Landlord.

15.2 Assignment or Subletting. Tenant shall not assign, sublet or transfer its interest in the Lease or the Leased Premises, in whole or in substantial part. Tenant's dissolution, or its merger or consolidation with another entity in which GHC is not the surviving corporation, or its sale, lease, conveyance, exchange, transfer or other disposition of all or substantially all of Tenant's assets, or a transfer of SDHA's statutory membership in Tenant, shall be considered to be an assignment of the Lease for purposes of this Section. A merger, consolidation or other transaction or reorganization of Tenant or SDHA in which Tenant or SDHA is the surviving corporation shall not be considered an assignment of the Lease for purposes of this Section. Landlord shall not unreasonably withhold consent to any of the foregoing actions requiring such consent taken in connection with an internal restructuring or reorganization within the SDHA health care system provided those provisions of the Lease, Affiliation Agreement, Transfer Agreement, Tenant's articles of incorporation, and Tenant's bylaws that are designed to protect or benefit the interests of Landlord and the communities it serves shall not be materially diminished.

15.3 Nonprofit Status; Tax-Exempt Bonds. Tenant shall maintain such corporate status as is necessary to preserve the tax-

exempt status of the District Bonds. Additionally, Tenant's status as a nonprofit public benefit corporation shall not be changed without the approval of Landlord, which approval shall not be unreasonably withheld. It shall be unreasonable for Landlord to withhold its approval if changes in tax laws or other statutes or governmental regulations or business conditions have a material adverse effect on the operation of Tenant as a nonprofit public benefit corporation.

15.4 Use and Inspection of Premises by Landlord. Tenant shall permit Landlord to use its meeting or office facilities on the Leased Premises for regular and special meetings of Landlord's board of directors and committees, provided that Landlord gives Tenant reasonable notice of the date and duration of such meetings. Tenant shall also provide Landlord with a district office and necessary files for Landlord's books and records and shall provide Landlord with reasonable secretarial services and such other services as may be reasonably required, at nominal cost to Tenant, to enable Landlord to perform its public functions. Landlord shall not be obligated to pay any rent for such use of the Leased Premises. Landlord shall have the right to inspect the Leased Premises upon giving Tenant reasonable prior notice.

15.5 License; Accreditation. Tenant shall continuously maintain a valid license issued by the Department of Health Services of the State of California. Tenant shall use its best efforts to maintain any accreditation which may be necessary for Tenant to continue to operate the Leased Premises in accordance with its license.

15.6 Payment Systems. Tenant shall use its best efforts to maintain its certification for participation in the Medicare program and to maintain its qualification for participation in and payment under private insurance programs having broad application and federal, state and local governmental programs providing for payment or reimbursement for services rendered.

15.7 Maintenance and Operation of the Facilities. Tenant shall operate and maintain the Leased Premises in accordance with all governmental laws, ordinances, approvals, rules, regulations and requirements including, without limitation, such zoning, sanitary, pollution and safety ordinances and laws and such rules and regulations thereunder as may be binding upon Tenant. Tenant shall maintain and operate the Leased Premises, and all engines, boilers, pumps, machinery, apparatus, fixtures, fittings and equipment of any kind in or that shall be placed in any building or structure now or hereafter at any time constituting part of the Leased Premises in good repair, working order and condition (except as the same becomes inadequate, obsolete, worn-out, unsuitable, undesirable, unnecessary or as otherwise permitted herein). Tenant further covenants and agrees that Tenant shall from time to time make or cause to be made all needful and proper replacements, repairs, renewals, remodeling and improvements so that the quality, efficiency and value of the Leased Premises shall not be impaired and shall be maintained at no less than the level appropriate for a general acute care hospital of the size and in the community setting of Grossmont Hospital.

15.8 No Discrimination. Tenant shall not restrict admissions of patients to the Leased Premises on the basis of race, religion, gender or age.

15.9 Health and Safety Code Requirements. Tenant shall conform to and abide by each and all of the provisions of Section 32128 of the Health and Safety Code of the State of California, including without limitation, the provisions regarding the self-governance of the Medical Staff regarding professional work performed in the Hospital.

15.10 Officers and Directors Insurance. During the term of this Lease, Tenant shall procure and maintain, or shall cause SDHA to procure and maintain, insurance indemnifying all officers and directors of Landlord against any reasonably insurable liability incurred by any such officer or director relating to Landlord's

approval of or performance under this Lease. Such insurance shall be subject to commercially reasonable and customary deductibles and other customary limits and exclusions. Tenant's obligation to maintain such insurance is subject to its availability at commercially reasonable prices.

15.11 Amendment of Tenant's Articles of Incorporation or Bylaws. Tenant shall not, during the term of this Lease, amend: (i) subparagraph (b)(5) of Article Second or subparagraph (b) of Article Fifth of Tenant's Articles of Incorporation in the form attached to the Affiliation Agreement as Exhibit 7.1; or (ii) Section 1c and Section 5 of Article IV, the last two sentences of Section 2a of Article V, Section 2b(i) and (ii) of Article V, Section 9 of Article VI, Section 7 of Article VII, and Section 3 of Article XIII of Tenant's bylaws in the form attached to the Affiliation Agreement as Schedule 7.3.2, without the prior written consent of Landlord.

15.12 Termination of Core Services. Landlord has entered into this Lease for the benefit of the communities served by Landlord. Landlord believes that the communities' interests will be advanced by Tenant's operation and maintenance of the Hospital and its core services. Attached hereto as Schedule 15.12 is a list of the Hospital's core services. Tenant shall not terminate or materially reduce any of the listed core services without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Any decrease in utilization not caused by Tenant shall not violate the preceding sentence. It shall be unreasonable for Landlord to withhold its consent if: the level or type of service is no longer appropriate for a health care institution or facility of the size and in the community setting of the Leased Premises; the quality of the service cannot be adequately maintained with available resources; budget restraints do not permit the continuation of the level or type of service; the level or type of service is no longer financially feasible; or, a statute, rule, regulation, or other governmental action has a material adverse

affect on the ability of the Hospital to maintain the level or type of service. Landlord desires that the persons residing in the communities served by the Landlord have an opportunity to comment on a proposed termination or material reduction of any core service of the Hospital. Tenant shall give Landlord sixty (60) days' prior written notice of any proposed termination or material reduction of a core service. If Landlord wishes to hold a public hearing, such core service may only be materially reduced or terminated after a noticed public meeting has been held by Landlord's board of directors at which the public and Landlord's board have had an opportunity to comment on the proposed reduction or termination. Such public meeting shall be held within sixty (60) days following Tenant's notice provided hereunder. A representative of Tenant's board of directors shall attend such public meeting.

15.13 Operation of Leased Premises. Tenant shall operate the Hospital according to the best interests of the public health of the communities served by Landlord.

15.14 Accounting Records and Financial Statements. Tenant covenants and agrees at all times to keep, or cause to be kept, proper accounting records prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions of or in relation to the business, properties and operations of the Tenant, including, without limitation, operations of the Leased Premises. Tenant further covenants and agrees to have prepared within one hundred and twenty (120) days after the end of each fiscal year, complete financial statements for such fiscal year together with the report and opinion of a Certified Public Accountant stating that SDHA's combined financial statements have been prepared in accordance with generally accepted accounting principles and that such accountant's examination of the financial statements was performed in accordance with generally accepted auditing standards. The combining schedules regarding Tenant contained in SDHA's combined audited financial statements shall satisfy Tenant's foregoing obligation

regarding the preparation of financial statements. The accounting records and financial statement and audit report (to the extent applicable to Tenant), and insurance policies shall be available for inspection by the Landlord at reasonable hours and under reasonable circumstances. Tenant shall keep, or cause to be kept or prepared, accounting records and financial statements, together with reports and opinions of CPA's as required by any indentures in connection with the District Bonds.

15.15 Long-Term Indebtedness; Lease Extension. If Tenant joins SDHA's obligated group for bond financing purposes, Landlord will become obligated to pay Tenant's share of the bonded debt in the event of termination of this Lease pursuant to Section 5.3 and 8.4.1 hereof. For purposes of this section, "long-term indebtedness" shall not include obligations issued by or for the benefit of an obligated group for which Tenant is not the primary obligor. Therefore, Tenant shall not join the obligated group for bond financing purposes or incur long-term indebtedness (indebtedness having an original maturity greater than one year) for money borrowed for the benefit of Tenant without the approval of eleven (11) members of the Tenant's board of directors. In the event eleven (11) members of Tenant's board of directors vote in favor of joining the obligated group and incurring such an obligation for bond indebtedness or incurring other long-term indebtedness, then Landlord agrees that it will not unreasonably withhold its consent to an extension of the term of this Lease for such an additional period of time as is necessary to achieve Tenant's proposed financing by the most feasible method. It shall be unreasonable to withhold such consent if all of the following conditions are satisfied:

15.15.1 Tenant's bond underwriter or investment banker delivers to Landlord a letter stating that the most cost-effective method of financing Tenant's proposed project necessitates an extension of the term of the Lease for the period of time requested.

15.15.2 Tenant is not in default under any of the terms, covenants, or conditions of the Lease including, but not limited to, operation and maintenance of the Hospital for the benefit of the communities served by the Landlord, maintenance of the Hospital in good condition, and conformity with Health & Safety Code Section 32128.

15.15.3 The proposed financing is not a pretext for extending the term of the Lease.

15.15.4 The proposed financing does not occur when less than ten (10) years of the term of the Lease, including any extensions, remain.

15.15.5 All borrowing by Tenant facilitated by an extension of the term of this Lease pursuant to this Section 15.15 shall be used for the benefit of the Leased Premises or the communities served by Landlord.

15.16 Tenant's Quitclaim. Upon expiration of the Lease term or any sooner termination of the Lease, Tenant agrees to execute, acknowledge and deliver to Landlord a proper instrument in recordable form, releasing and quitclaiming to Landlord all right, title and interest of Tenant in and to the Leased Premises, including all improvements thereon, and appropriate instruments transferring to Landlord all right, title and interest of Tenant in and to any movable furniture, machinery, equipment, trade fixtures, tools, signs, supplies, and other personal property owned by Tenant and located at the Leased Premises.

15.17 Name. The name of Grossmont Hospital shall not be changed without the approval of eleven (11) members of the Board of Directors of Tenant.

15.18 Professional Contracts. Existing contractual arrangements between Landlord and physicians shall be transferred to and assumed by Tenant. Contractual arrangements with physicians shall continue to be subject to normal annual review by the Medical Staff Executive Committee and the board of directors of Tenant. Existing emergency department, pathology/laboratory, and radiology

contracts shall not be terminated prior to their scheduled expiration date without the approval of eleven (11) members of the board of directors of GHC unless termination is recommended for quality reasons by the Grossmont Hospital Medical Staff Executive Committee, in which event a majority of the board of directors of Tenant may approve termination.

15.19 Contributions. Tenant shall not make any contributions or donations to its statutory member (SDHA), and shall not make any distribution of any gains, profits or dividends to its member. The foregoing shall not prohibit Tenant from making payments to its member for repayment of indebtedness or services rendered or other payments made in the ordinary course of business. Tenant shall not make any other contributions or donations to any other person or entity unless they are primarily for the benefit of Tenant, Landlord, or the communities served by Landlord.

15.20 Fidelity Bond. The treasurer or other person charged with the safekeeping and disbursement of the funds of Tenant shall be bonded in a sufficient amount as fixed by the board of directors of Tenant, but not less than the amount customarily carried by other institutions of similar character and size.

15.21 District Approved Directors; Size of Board. The method of selecting District Approved Directors (as defined in Section 2b (i) of Article V of the Tenant's bylaws), shall not be changed without the consent of the Landlord. The number of voting members of the Board of Directors of the Tenant shall not exceed fifteen (15) without the consent of Landlord.

15.22 Performance Criteria. During the term of this Lease, Tenant shall use its best efforts to pay its obligations to its creditors before such obligations become delinquent. Tenant may contest any such obligations or withhold or defer payment of any such obligations if Tenant, in the exercise of its reasonable business judgment, chooses to do so. Any such contesting, withholding or deferral shall not constitute a default under this Lease.

ARTICLE 16
MISCELLANEOUS

16.1 Waiver of Conditions. The conditions to each of the parties' obligations to consummate the Lease are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

16.2 Indemnification.

16.2.1 Tenant shall indemnify and hold Landlord (which, for purposes of this Section shall also include the directors, officers, employees, and agents of Landlord) harmless from, and reimburse Landlord for, any loss, cost, expense, liability or damage existing as of the Closing Date or thereafter arising, in connection with or in any way related to (i) the Leased Premises or the conduct of Tenant's business or any activity, work or other things done, permitted or suffered by Tenant in or about the Leased Premises; or (ii) any breach or default in the performance of any obligation on Tenant's part to be performed by Tenant under the terms of this Lease or any act or negligence of Tenant, or any officer, agent, employee, guest, or invitee of Tenant or of any sublessee of Tenant; provided that the foregoing shall not apply to any loss cost, expense, liability or damage arising out of activities directly undertaken or contracts, leases or agreements entered into by Landlord after the date of this Lease which are solely for the benefit of Landlord and are unrelated to the operation or business of Tenant, or any of its affiliated entities.

16.2.2 In the event of the occurrence of any event which any party asserts is an indemnifiable event pursuant to this Section 16.2, such party shall notify the indemnifying party promptly and, if such event involves the claim of any third person, the indemnifying party shall have sole control over, and shall assume all expense with respect to, the defense, settlement, adjustment or compromise of any claim as to which this Section 16.2

requires it to indemnify the other party, provided that (i) the indemnified party may, if it so desires, employ counsel at its own expense to assist in the handling of such claim, and (ii) the indemnifying party shall obtain the prior written approval of the indemnified party, which shall not be unreasonably withheld, before entering into any settlement, adjustment or compromise of such claim or ceasing to defend against such claim, if pursuant thereto or as a result thereof there would be imposed injunctive or other similar relief against the indemnified party.

16.2.3 In the event that any claim or contest regarding this Lease is brought by one party to this Lease against another party, the party against whose favor such claim or contest is resolved shall pay all reasonable attorneys' fees and other costs incurred by both parties as a result of such claim or contest (including attorneys' fees and costs incurred in collecting any judgment), together with interest on any amount recovered (other than attorneys' fees) from the date of judgment or award at the maximum rate permitted by applicable law.

16.3 Governing Law. This Lease shall be governed by the construed in accordance with the laws of the State of California.

16.4 Invalidity. In the event that any one or more of the provisions contained in this Lease shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Lease shall not in any way be affected or impaired thereby. To the extent permitted by applicable law, each party to this Lease waives any provision of law which renders any provision of this Lease invalid, illegal or unenforceable in any respect. In the event any provision of this Lease shall be held invalid, illegal or unenforceable, the parties shall use all reasonable efforts to substitute a valid, legal and enforceable provision which implements the purposes and intents of this Lease.

16.5 Arbitration. Arbitration may be required only for matters for which arbitration is mentioned in this Lease or for any

dispute regarding the interpretation of the terms "commercially feasible", "commercially reasonable", or any similar terms, as used in various Sections of this Lease. For other matters, the party served with notice of arbitration may reject the notice by failing to respond to it, by giving notice of rejection, or by taking action inconsistent with arbitration.

Arbitration is initiated and required by giving notice specifying the matter to be arbitrated. If action is already pending on any matter concerning which the notice is given, the notice is ineffective unless given before the expiration of ten days after service of process on the party giving the notice.

Except as provided to the contrary in these provisions on arbitration, the arbitration shall be in conformity with and subject to applicable rules and procedures of the American Arbitration Association. If the American Arbitration Association is not then in existence or for any reason fails or refuses to act, the arbitration shall be in conformity with and subject to provisions of the California Code of Civil Procedure relating to arbitration as they stand amended at the time of the notice.

The arbitrators shall be bound by this Lease. Pleadings in any action pending on the same matter shall, if the arbitration is required or consented to, be deemed amended to limit the issues to those contemplated by the rules prescribed above. Each party shall pay one-half the cost of arbitration including arbitrators' fees. Attorneys' fees shall be awarded separately as provided in this Lease.

There shall be three arbitrators appointed as follows:

a. Within thirty days after notice requiring arbitration, each party shall appoint one arbitrator and give notice of the appointment to the other party.

b. The two arbitrators shall choose a third arbitrator within thirty days after appointment of the second.

c. If either party fails to appoint an arbitrator or if the two arbitrators fail to choose a third, the appointment shall be

made by the then presiding judge of the Superior Court for San Diego County, acting in his individual and nonofficial capacity on the application of either party and on ten days' notice to the other party; provided that either party may, by notice given before commencement of the arbitration hearing, consent to arbitration by the arbitrator appointed by the other party. In that event, no further appointments of arbitrators shall be made and any other arbitrators previously appointed shall be dismissed.

16.6 Notices. Any notice or communication to be given under this Lease by any party to the other shall be in writing and shall be deemed to have been given when delivered or five days after the date sent by registered or certified mail, postage prepaid, as follows:

16.6.1 If to Tenant or San Diego Hospital Association, addressed to Tenant or San Diego Hospital Association, at 3131 Berger Avenue, Suite One, San Diego, California, attention President; and

16.6.2 If to Landlord, addressed to Landlord at P.O. Box 158, La Mesa, California, attention President of the Board; or to such other persons or addresses as may be designated in writing by the party to receive such notice.

16.7 Covenant Not to Compete. To the extent permitted by law, Landlord hereby covenants that at all times during the term of this Lease, Landlord shall not directly or indirectly, except as a consultant or contractor to or of Tenant or any affiliated entity, own, lease, manage, operate, control, or participate in any manner with the ownership, leasing, management, operation or control of a general acute care hospital within San Diego County.

16.8 Entire Lease. This Lease, the Affiliation Agreement and the Transfer Agreement (including any schedules, exhibits, documents and instruments referred to in the Lease, Affiliation Agreement or the Transfer Agreement):

16.8.1 Contain the entire agreement, supersede all other prior agreements and understandings, both written and oral,

between the parties, with respect to the subject matter of this Lease, the Affiliation Agreement or the Transfer Agreement;

16.8.2 Are not intended to confer upon any person other than the parties to this Lease, the Affiliation Agreement and the Transfer Agreement any rights or remedies hereunder or thereunder; and

16.8.3 Shall not be assignable by operation of law or otherwise, except as provided in Section 15.2.

16.9 Captions. The article, section and paragraph captions in this Lease are for convenient reference only, do not constitute part of this Lease and shall not limit or otherwise affect any of the provisions of this Lease.

16.10 Definitions. Any capitalized terms not otherwise defined herein shall have the definitions contained in the Affiliation Agreement. The term "Indenture" shall mean any indenture or master indenture, or any supplement thereto or similar instrument designed to substitute a new obligation or existing obligation under an indenture, or any loan agreement, or similar agreement, or any other debt instrument of any kind whatsoever, executed by Tenant during the term of the Lease in connection with the incurrence by Tenant of any indebtedness secured by the Hospital's revenues.

16.11 Memorandum of Lease. Landlord and Tenant agree to execute, acknowledge and record a memorandum of this Lease.

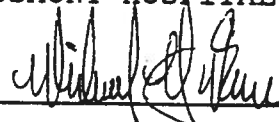
16.12 Counterparts. This Lease may be executed by the parties in separate counterparts, each of which shall be deemed to be an original.

16.13 Extension of Lease. It will be in the best interests of Landlord and Tenant if long-range development plans can be made for the future growth of the Hospital to enable it to continue to meet the needs of the communities it serves. Major capital projects will require the issuance of revenue bonds or other debt instruments, or expenditure of internally generated funds, and the investment of human and other resources, which can only be made if

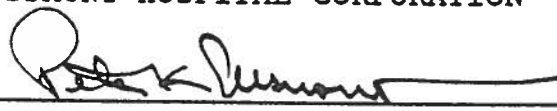
the Lease has a sufficient remaining term to justify such investment of resources and to permit repayment of the debt by Tenant out of Hospital revenues. To permit the orderly development of long-range plans for the future growth of the Hospital as well as the means of financing major capital projects, Landlord and Tenant agree to meet not less often than every five years for purposes of reviewing Tenant's long-range plans and methods of financing major capital projects, and negotiating in good faith such extensions of the Lease as may be necessary or appropriate, from time to time, to achieve the Hospital's goals; provided, however, that neither party shall be required to agree to an extension of this Lease.

IN WITNESS WHEREOF, Grossmont Hospital District and Grossmont Hospital Corporation cause this Lease Agreement to be executed as of the date first written above.

GROSSMONT HOSPITAL DISTRICT

By 
Its Chief Executive Officer

GROSSMONT HOSPITAL CORPORATION

By 
Its President

LEASE AGREEMENT SCHEDULE 1.1

The real property leased by Landlord to Tenant is described in Exhibit "A," attached hereto.

Schedule 1.1

Exhibit "A"

PARCEL 1:

ALL THAT PORTION OF BLOCKS 27, 28, 29, 30, 36, 37, 38, 39 AND 40 TOGETHER WITH PORTIONS OF CUYAMACA AVENUE, WASHINGTON AVENUE, ARTHUR STREET, CLEVELAND AVENUE, VAN BUREN AVENUE, WEST GRANT STREET, EAST GRANT STREET AND MONROE STREET, ALL IN NORTH LA MESA, IN THE CITY OF LA MESA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 1513 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 27, 1912, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID NORTH LA MESA AS SHOWN ON RECORD OF SURVEY MAP NO. 3231 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 16, 1953; THENCE ALONG THE BOUNDARY OF SAID NORTH LA MESA AS FOLLOWS: SOUTH 00°36'30" EAST, SOUTH 539.55 FEET TO AN ANGLE POINT THEREIN; AND SOUTH 00°36'30" EAST, SOUTH 539.55 FEET TO AN ANGLE POINT THEREIN; AND SOUTH 00°40'00" EAST 931.01 FEET TO THE CENTER LINE OF MONROE STREET; THENCE ALONG SAID CENTER LINE BEING ALONG THE SOUTHEASTERLY BOUNDARY OF THAT PORTION OF SAID MONROE STREET VACATED AND CLOSED TO PUBLIC USE ON JANUARY 12, 1951 BY RESOLUTION NO. 5251 OF THE CITY COUNCIL OF THE CITY OF LA MESA, AND RECORDED JANUARY 15, 1954 AS DOCUMENT NO. 6190 IN BOOK 5113, PAGE 400 OF OFFICIAL RECORDS AND BEING ALSO THE NORTHWESTERLY BOUNDARY OF LAND DESCRIBED IN QUITCLAIM DEED TO SILVINO BARTOLACCI, RECORDED OCTOBER 22, 1953 AS DOCUMENT NO. 143543 IN BOOK 5024, PAGE 86 OF OFFICIAL RECORDS AS FOLLOWS: SOUTH 20°31'30" WEST 175.32 FEET; AND SOUTH 26°22'30" WEST, 17.22 FEET TO THE SOUTHERLY LINE OF LAND DESCRIBED IN DEED TO GROSSMONT HOSPITAL DISTRICT, RECORDED NOVEMBER 12, 1952 AS DOCUMENT NO. 141424 IN BOOK 4651, PAGE 520 OF OFFICIAL RECORDS, BEING ALSO AN ANGLE POINT IN THE BOUNDARY OF GROSSMONT CENTER ACCORDING TO MAP THEREOF NO. 4828, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AUGUST 15, 1961; THENCE ALONG THE BOUNDARY OF SAID MAP NO. 4828 AS FOLLOWS: SOUTH 89°47'50" WEST 344.63 FEET TO AN ANGLE POINT THEREIN SOUTH 29°52'40" WEST, 144.69 FEET TO A POINT ON THE ARC OF A 267.50 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, A RADIAL LINE OF SAID CURVE BEARS NORTH 29°52'40" EAST TO SAID POINT; NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 08°52'20" A DISTANCE OF 41.42 FEET; TANGENT TO SAID CURVE NORTH 68°59'40" WEST 296.62 FEET, NORTH 14°47'20" EAST, 387.63 FEET, AND NORTH 00°43'20" WEST, 972.84 FEET TO THE MOST NORTHERLY CORNER OF SAID MAP NO. 4828; THENCE CONTINUING NORTH 00°43'20" WEST, 5.42 FEET TO THE NORTHWESTERLY LINE OF SAID NORTH LA MESA AS SHOWN ON SAID RECORD OF SURVEY MAP NO. 3231; THENCE ALONG SAID NORTHWESTERLY LINE NORTH 66°39'10" EAST (RECORD - NORTH 66°43'30" EAST) 757.54 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN THE 60.00 FOOT RIGHT OF WAY OF THE SAN DIEGO AND ARIZONA EASTERN RAILWAY COMPANY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN THE FOLLOWING DESCRIBED PROPERTY:

COMMENCING AT THE WESTERLY POINT OF TANGENCY OF A 267.50 FOOT RADIUS CURVE, CONCAVE, SOUTHWESTERLY AND WHOSE CENTER BEARS SOUTH 21°00'20" WEST FROM SAID POINT OF TANGENCY, ACCORDING TO GROSSMONT CENTER MAP THEREOF NO. 4828 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SAID CURVE IS ALSO THE NORTHEASTERLY LINE OF GROSSMONT CENTER DRIVE; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH AN ANGLE OF 02°45'53" A DISTANCE OF 12.91 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID NORTHEASTERLY LINE OF GROSSMONT CENTER DRIVE NORTH 23°46'13" EAST 01.81 FEET; THENCE NORTH 21°00'20" EAST A DISTANCE OF 126.00 FEET TO THE POINT OF BEGINNING.

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66°03'22" EAST A DISTANCE OF 39.00 FEET; THENCE SOUTH 73°38'26" EAST A DISTANCE OF 79.18 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH THE NORTHERLY LINE OF LOT 3 OF GROSSMONT CENTER MAP NO. 4828; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 3 SOUTH 89°47'50" WEST A DISTANCE OF 60.00 FEET, MORE OR LESS, TO THE MOST NORTHWESTERLY CORNER OF SAID LOT 3; THENCE ALONG THE WESTERLY LINE OF SAID LOT 3 SOUTH 29°52'40" WEST A DISTANCE OF 144.69 FEET; MORE OR LESS, TO THE POINT OF INTERSECTION WITH THE BEFORE MENTIONED 267.50 FOOT RADIUS CURVE AND WHOSE CENTER BEARS SOUTH 29°52'40" WEST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH AN ANGLE OF 06°06'27" A DISTANCE OF 23.51 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION OF MONROE STREET (VACATED) AS SHOWN ON NORTH LA MESA, IN THE CITY OF LA MESA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1513 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DECEMBER 27, 1912, DESCRIBED AS FOLLOWS:

COMMENCING AT A 1-INCH IRON PIPE WITH CAP MARKED "DIV. OF HWYS." BEING THE NORTHWEST CORNER OF THAT LAND DESCRIBED IN FINAL ORDER OF CONDEMNATION TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 28, 1960 AS INSTRUMENT NO. 231908 OFFICIAL RECORDS OF SAID COUNTY, ALSO BEING A POINT ON THE EASTERLY LINE OF BLOCK 27 OF SAID NORTH LA MESA MAP NO. 1513; THENCE ALONG SAID EASTERLY LINE NORTH 0°08'30" EAST A DISTANCE OF 740.14 FEET TO THE POINT OF INTERSECTION WITH A NONTANGENT 1161.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY AND WHOSE CENTER BEARS SOUTH 32°14'50" EAST FROM SAID POINT OF INTERSECTION, SAID CURVE BEING THE SOUTHERLY LINE OF LA SUVIDA DRIVE OF STATE OF CALIFORNIA DIVISION OF HIGHWAYS RIGHT OF WAY, PORTION OF RIGHT OF WAY MAP X1-SD-12-B-LA MESA; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 3°39'49" A DISTANCE OF 74.24 FEET TO THE POINT OF INTERSECTION WITH THE CENTER LINE OF SAID MONROE STREET (VACATED), SAID POINT OF INTERSECTION ALSO BEING THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 1°21'31" A DISTANCE OF 27.53 FEET TO THE POINT OF INTERSECTION WITH THE NORTHERLY BOUNDARY LINE OF GROSSMONT CENTER, ACCORDING TO MAP THEREOF NO. 4828 FILED AUGUST 15, 1961 IN SAID OFFICE OF THE COUNTY RECORDER, SAID NORTHERLY BOUNDARY LINE ALSO BEING THE NORTHERLY LINE OF LOT 3 OF SAID GROSSMONT CENTER; THENCE ALONG SAID NORTHERLY LINE SOUTH 89°45'44" EAST (RECORD NORTH 89°47'50" EAST) A DISTANCE OF 13.99 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID LOT 3 ALSO BEING THE POINT OF INTERSECTION WITH THE CENTER LINE OF SAID MONROE STREET (VACATED); THENCE ALONG SAID CENTER LINE NORTH 26°35'33" EAST A DISTANCE OF 17.22 FEET; THENCE CONTINUING ALONG SAID CENTER LINE NORTH 20°46'30" EAST A DISTANCE OF 1.14 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN PARCEL 2 AS CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED NOVEMBER 2, 1990 AS FILE NO. 90-0594676 OF OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF LOT 60 OF LA MESA KNOLLS, IN THE CITY OF LA MESA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 2231, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 16, 1938, AND THAT PORTION OF LOT 7 IN SECTION 17, TOWNSHIP 16 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF LA MESA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, LYING NORTHERLY OF A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT A 1-INCH IRON PIPE WITH CAP MARKED "DIV. OF HWYS." BEING THE NORTHWEST CORNER OF THAT LAND DESCRIBED IN FINAL ORDER OF CONDEMNATION TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 28, 1960 AS INSTRUMENT NO. 231908 OF OFFICIAL RECORDS OF SAID COUNTY, ALSO BEING A POINT ON THE

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EASTERLY LINE OF BLOCK 27 OF NORTH LA MESA, ACCORDING TO MAP THEREOF NO. 1513 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 27, 1912; THENCE ALONG SAID EASTERLY LINE NORTH $00^{\circ}08'30''$ EAST, 714.02 FEET TO THE INTERSECTION WITH THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 56 OF SAID LA MESA KNOLLS; THENCE CONTINUING ALONG SAID EASTERLY LINE NORTH $00^{\circ}08'30''$ EAST 26.12 FEET TO THE POINT OF INTERSECTION WITH A NONTANGENT 1161.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY AND WHOSE CENTER BEARS SOUTH $32^{\circ}14'50''$ EAST FROM SAID POINT OF INTERSECTION, SAID CURVE BEING THE SOUTHERLY LINE OF LA SUVIDA DRIVE OF STATE OF CALIFORNIA DIVISION OF HIGHWAYS RIGHT OF WAY, PORTION OF RIGHT OF WAY, PORTION OF RIGHT OF WAY MAP XI-SD-B-LA MESA, SAID POINT OF INTERSECTION ALSO BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $02^{\circ}56'04''$ A DISTANCE OF 59.46 FEET TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF LOT 60 OF SAID LA MESA KNOLLS.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN NORTH LA MESA, ACCORDING TO MAP THEREOF NO. 1513, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 27, 1912.

ALSO EXCEPTING THEREFROM THOSE PORTIONS DESCRIBED IN PARCELS 1 AND 3 IN THE DEED TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 2, 1990 AS FILE NO. 90-0594676 OF OFFICIAL RECORDS.

PARCEL 3:

THAT PORTION OF LOT 4, SECTION 17, TOWNSHIP 16 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF LA MESA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED JULY 29, 1876, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF LAKEWOOD KNOLLS, ACCORDING TO MAP THEREOF NO. 2785 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; THENCE NORTH $17^{\circ}33'30''$ WEST ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF LOT 7 OF SAID LAKEWOOD KNOLLS 379.42 FEET TO A POINT; THENCE NORTHEASTERLY IN A STRAIGHT LINE TO THE NORTHEAST CORNER OF SAID LOT 4 OF SECTION 17, TOWNSHIP 16 SOUTH, RANGE 1 WEST; THENCE SOUTH $00^{\circ}56'00''$ EAST, ALONG THE EASTERLY LINE OF SAID LOT 4, 271.61 FEET TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO HELEN GRACE DOUGHERTY, RECORDED MAY 1, 1946 AS DOCUMENT NO. 46765 IN BOOK 2096, PAGE 286, OFFICIAL RECORDS, SAID CORNER BEING ALSO SHOWN ON RECORD OF SURVEY MAP NO. 1200, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; THENCE ALONG THE BOUNDARY LINE OF SAID DOUGHERTY'S LAND, A PORTION OF WHICH IS SHOWN ON SAID RECORD OF SURVEY MAP NO. 1200, AS FOLLOWS:

SOUTH $75^{\circ}46'00''$ WEST (RECORD SOUTH $75^{\circ}44'00''$ WEST) 122.13 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 64.40 FEET; SOUTHWESTERLY ALONG SAID CURVE 36.30 FEET; TANGENT TO SAID CURVE SOUTH $43^{\circ}28'00''$ WEST (RECORD SOUTH $43^{\circ}26'00''$ WEST) 162.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 188.30 FEET; SOUTHWESTERLY ALONG SAID CURVE 75.86 FEET; TANGENT TO SAID CURVE SOUTH $20^{\circ}23'00''$ WEST (RECORD SOUTH $20^{\circ}21'00''$ WEST) 139.30 FEET TO THE MOST WESTERLY CORNER OF SAID LAND, BEING ALSO AN ANGLE POINT IN THE WESTERLY BOUNDARY OF THE LAND DESCRIBED IN DEED TO W. O. TOWLER AND WIFE, RECORDED DECEMBER 15, 1945 AS DOCUMENT NO. 108712 IN BOOK 2019, PAGE 19 OF OFFICIAL RECORDS; THENCE ALONG THE WESTERLY BOUNDARY OF SAID TOWLER'S LAND SOUTH $20^{\circ}23'00''$ WEST (RECORD SOUTH $20^{\circ}21'00''$ WEST) 22.55 FEET AND SOUTH $34^{\circ}39'15''$ EAST (RECORD SOUTH $34^{\circ}41'15''$ EAST) 180.79 FEET TO THE SOUTHWESTERLY CORNER THEREOF; BEING ALSO THE MOST WESTERLY CORNER OF THE LAND DESCRIBED IN DEED TO VINCENT GILMORE AND WIFE, RECORDED OCTOBER 8, 1945 AS DOCUMENT NO. 84188 IN BOOK 1949, PAGE 439 OF OFFICIAL RECORDS.

Order No. 933797

THENCE SOUTH 34°39'15" EAST (RECORD SOUTH 34°41'15" EAST) ALONG THE SOUTHWESTERLY LINE OF SAID LAND 106.00 FEET TO THE MOST WESTERLY CORNER OF THE LAND DESCRIBED IN DEED TO SUSAN MOORE AND MIRIAM E. MOORE, RECORDED JANUARY 23, 1948 AS DOCUMENT NO. 7281 IN BOOK 2628, PAGE 265 OF OFFICIAL RECORDS; THENCE SOUTH 34°39'15" EAST (RECORD SOUTH 34°41'15" EAST) ALONG THE SOUTHWESTERLY LINE OF SAID MOORE LAND 125.00 FEET TO THE MOST WESTERLY CORNER OF THE LAND DESCRIBED IN DEED TO W. B. GOODWIN AND WIFE, RECORDED NOVEMBER 2, 1949 AS DOCUMENT NO. 101315 IN BOOK 3372, PAGE 20 OF OFFICIAL RECORDS; THENCE SOUTH 34°39'15" EAST ALONG THE SOUTHWESTERLY LINE OF SAID GOODWIN'S LAND 19.11 FEET TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO R. V. RAMSEY AND WIFE, RECORDED MARCH 17, 1950 AS DOCUMENT NO. 31734 IN BOOK 3544, PAGE 144 OF OFFICIAL RECORDS; THENCE ALONG THE WESTERLY LINE OF SAID RAMSEY'S LAND SOUTH 17°33'00" EAST (RECORD SOUTH 17°35'00" EAST) 44.25 FEET TO A POINT IN THE NORTHERLY BOUNDARY LINE OF THE 40.00 FOOT COUNTY ROAD, AS DESCRIBED IN DEED TO THE COUNTY OF SAN DIEGO, RECORDED MAY 10, 1950 AS DOCUMENT NO. 52386 IN BOOK 3615, PAGE 205 OF OFFICIAL RECORDS, AND SHOWN ON MAP OF ROAD SURVEY NO. 1196, FILED IN THE COUNTY SURVEYOR'S OFFICE OF SAID COUNTY; THENCE IN A NORTHWESTERLY, WESTERLY AND SOUTHWESTERLY DIRECTION ALONG SAID NORTHERLY BOUNDARY OF SAID ROAD SURVEY NO. 1196 TO A POINT IN THE EASTERLY BOUNDARY OF SAID LAKEWOOD KNOLLS; THENCE NORTH 17°33'30" WEST ALONG SAID EASTERLY BOUNDARY 184.72 FEET TO THE POINT OF BEGINNING.

22-May-91

GROSSMONT HOSPITAL DISTRICT
 LEASE AGREEMENT
 SCHEDULE 2.1
 PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
 SCHEDULE OF BOND PAYMENTS TO TRUSTEE
 FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
6/1/91	34,166.67	58,192.08	92,358.75				92,358.75
6/15/91							298,746.05
7/1/91	34,166.67	58,192.08	92,358.75	75,333.34	222,912.71	298,746.05	92,358.75
7/15/91							298,746.05
8/1/91	34,166.67	58,192.08	92,358.75	75,333.34	222,912.71	298,746.05	92,358.75
8/15/91							298,746.05
9/1/91	34,166.67	58,192.08	92,358.75	75,333.34	222,912.71	298,746.05	92,358.75
9/15/91							298,746.05
10/1/91	34,166.67	58,192.08	92,358.75	75,333.34	222,912.71	298,746.05	92,358.75
10/15/91							298,746.05
11/1/91	34,166.67	58,192.08	92,358.75	75,333.34	222,912.71	298,746.05	92,358.75
11/15/91							298,746.05
12/1/91	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
12/15/91							260,315.83
1/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
1/15/92							260,315.83
2/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
2/15/92							260,315.83
3/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
3/15/92							260,315.83
4/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
4/15/92							260,315.83
5/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
5/15/92							260,315.83
6/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
6/15/92							260,315.83
7/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
7/15/92							260,315.83
8/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
8/15/92							260,315.83
9/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
9/15/92							260,315.83
10/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
10/15/92							260,315.83
11/1/92	36,250.00	55,544.17	91,794.17	39,583.33	220,732.50	260,315.83	91,794.17
11/15/92							260,315.83
12/1/92	39,583.33	52,644.17	92,227.50	42,083.33	218,357.50	260,440.83	92,227.50
12/15/92							260,440.83
1/1/93	39,583.33	52,644.17	92,227.50	42,083.33	218,357.50	260,440.83	92,227.50
1/15/93							260,440.83
2/1/93	39,583.33	52,644.17	92,227.50	42,083.33	218,357.50	260,440.83	92,227.50

GROSSMONT HOSPITAL DISTRICT
 LEASE AGREEMENT
 SCHEDULE 2.1
 PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
 SCHEDULE OF BOND PAYMENTS TO TRUSTEE
 FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
2/15/93				42,083.33	218,357.50	260,440.83	260,440.83
3/1/93	39,583.33	52,644.17	92,227.50				92,227.50
3/15/93				42,083.33	218,357.50	260,440.83	260,440.83
4/1/93	39,583.33	52,644.17	92,227.50				92,227.50
4/15/93				42,083.33	218,357.50	260,440.83	260,440.83
5/1/93	39,583.33	52,644.17	92,227.50				92,227.50
5/15/93				42,083.33	218,357.50	260,440.83	260,440.83
6/1/93	39,583.33	52,644.17	92,227.50				92,227.50
6/15/93				42,083.33	218,357.50	260,440.83	260,440.83
7/1/93	39,583.33	52,644.17	92,227.50				92,227.50
7/15/93				42,083.33	218,357.50	260,440.83	260,440.83
8/1/93	39,583.33	52,644.17	92,227.50				92,227.50
8/15/93				42,083.33	218,357.50	260,440.83	260,440.83
9/1/93	39,583.33	52,644.17	92,227.50				92,227.50
9/15/93				42,083.33	218,357.50	260,440.83	260,440.83
10/1/93	39,583.33	52,644.17	92,227.50				92,227.50
10/15/93				42,083.33	218,357.50	260,440.83	260,440.83
11/1/93	39,583.33	52,644.17	92,227.50				92,227.50
11/15/93				44,583.33	215,727.29	260,310.62	260,310.62
12/1/93	42,916.67	49,398.33	92,315.00				92,315.00
12/15/93				44,583.33	215,727.29	260,310.62	260,310.62
1/1/94	42,916.67	49,398.33	92,315.00				92,315.00
1/15/94				44,583.33	215,727.29	260,310.62	260,310.62
2/1/94	42,916.67	49,398.33	92,315.00				92,315.00
2/15/94				44,583.33	215,727.29	260,310.62	260,310.62
3/1/94	42,916.67	49,398.33	92,315.00				92,315.00
3/15/94				44,583.33	215,727.29	260,310.62	260,310.62
4/1/94	42,916.67	49,398.33	92,315.00				92,315.00
4/15/94				44,583.33	215,727.29	260,310.62	260,310.62
5/1/94	42,916.67	49,398.33	92,315.00				92,315.00
5/15/94				44,583.33	215,727.29	260,310.62	260,310.62
6/1/94	42,916.67	49,398.33	92,315.00				92,315.00
6/15/94				44,583.33	215,727.29	260,310.62	260,310.62
7/1/94	42,916.67	49,398.33	92,315.00				92,315.00
7/15/94				44,583.33	215,727.29	260,310.62	260,310.62
8/1/94	42,916.67	49,398.33	92,315.00				92,315.00
8/15/94				44,583.33	215,727.29	260,310.62	260,310.62
9/1/94	42,916.67	49,398.33	92,315.00				92,315.00
9/15/94				44,583.33	215,727.29	260,310.62	260,310.62
10/1/94	42,916.67	49,398.33	92,315.00				92,315.00
10/15/94				44,583.33	215,727.29	260,310.62	260,310.62

22-May-91

GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
SCHEDULE 2.1
PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BCND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BCNDS			1987A BCNDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
11/1/94	42,916.67	49,398.33	92,315.00				92,315.00
11/15/94				47,500.00	212,373.96	260,373.96	260,373.96
12/1/94	46,250.00	45,793.33	92,043.33				92,043.33
12/15/94				47,500.00	212,373.96	260,373.96	260,373.96
1/1/95	46,250.00	45,793.33	92,043.33				92,043.33
1/15/95				47,500.00	212,373.96	260,373.96	260,373.96
2/1/95	46,250.00	45,793.33	92,043.33				92,043.33
2/15/95				47,500.00	212,373.96	260,373.96	260,373.96
3/1/95	46,250.00	45,793.33	92,043.33				92,043.33
3/15/95				47,500.00	212,373.96	260,373.96	260,373.96
4/1/95	46,250.00	45,793.33	92,043.33				92,043.33
4/15/95				47,500.00	212,373.96	260,373.96	260,373.96
5/1/95	46,250.00	45,793.33	92,043.33				92,043.33
5/15/95				47,500.00	212,373.96	260,373.96	260,373.96
6/1/95	46,250.00	45,793.33	92,043.33				92,043.33
6/15/95				47,500.00	212,373.96	260,373.96	260,373.96
7/1/95	46,250.00	45,793.33	92,043.33				92,043.33
7/15/95				47,500.00	212,373.96	260,373.96	260,373.96
8/1/95	46,250.00	45,793.33	92,043.33				92,043.33
8/15/95				47,500.00	212,373.96	260,373.96	260,373.96
9/1/95	46,250.00	45,793.33	92,043.33				92,043.33
9/15/95				47,500.00	212,373.96	260,373.96	260,373.96
10/1/95	46,250.00	45,793.33	92,043.33				92,043.33
10/15/95				47,500.00	212,373.96	260,373.96	260,373.96
11/1/95	46,250.00	45,793.33	92,043.33				92,043.33
11/15/95				47,500.00	212,373.96	260,373.96	260,373.96
12/1/95	50,416.67	41,815.83	92,232.50	50,833.33	209,738.96	260,572.29	260,572.29
12/15/95							92,232.50
1/1/96	50,416.67	41,815.83	92,232.50				92,232.50
1/15/96				50,833.33	209,738.96	260,572.29	260,572.29
2/1/96	50,416.67	41,815.83	92,232.50				92,232.50
2/15/96				50,833.33	209,738.96	260,572.29	260,572.29
3/1/96	50,416.67	41,815.83	92,232.50				92,232.50
3/15/96				50,833.33	209,738.96	260,572.29	260,572.29
4/1/96	50,416.67	41,815.83	92,232.50				92,232.50
4/15/96				50,833.33	209,738.96	260,572.29	260,572.29
5/1/96	50,416.67	41,815.83	92,232.50				92,232.50
5/15/96				50,833.33	209,738.96	260,572.29	260,572.29
6/1/96	50,416.67	41,815.83	92,232.50				92,232.50
6/15/96				50,833.33	209,738.96	260,572.29	260,572.29
7/1/96	50,416.67	41,815.83	92,232.50				92,232.50

22-May-91

GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
SCHEDULE 2.1
PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BOND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
7/15/96							
8/1/96	50,416.67	41,815.83	92,232.50	50,833.33	209,738.96	260,572.29	260,572.29
8/15/96							92,232.50
9/1/96	50,416.67	41,815.83	92,232.50	50,833.33	209,738.96	260,572.29	260,572.29
9/15/96							92,232.50
10/1/96	50,416.67	41,815.83	92,232.50	50,833.33	209,738.96	260,572.29	260,572.29
10/15/96							92,232.50
11/1/96	50,416.67	41,815.83	92,232.50	50,833.33	209,738.96	260,572.29	260,572.29
11/15/96							92,232.50
12/1/96	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
12/15/96							92,404.38
1/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
1/15/97							92,404.38
2/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
2/15/97							92,404.38
3/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
3/15/97							92,404.38
4/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
4/15/97							92,404.38
5/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
5/15/97							92,404.38
6/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
6/15/97							92,404.38
7/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
7/15/97							92,404.38
8/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
8/15/97							92,404.38
9/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
9/15/97							92,404.38
10/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
10/15/97							92,404.38
11/1/97	55,000.00	37,404.38	92,404.38	54,166.67	206,282.29	260,448.96	260,448.96
11/15/97							92,404.38
12/1/97	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
12/15/97							92,092.71
1/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
1/15/98							92,092.71
2/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
2/15/98							92,092.71
3/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
3/15/98							92,092.71
				57,916.67	202,544.79	260,461.46	260,461.46

22-May-91

GROSSMONT HOSPITAL DISTRICT
 LEASE AGREEMENT
 SCHEDULE 2.1
 PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
 SCHEDULE OF 3CND PAYMENTS TO TRUSTEE
 FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 3CND\$			1987A 3CND\$			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
4/1/98	59,583.33	32,509.38	92,092.71				
4/15/98							92,092.71
5/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
5/15/98							92,092.71
6/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
6/15/98							92,092.71
7/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
7/15/98							92,092.71
8/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
8/15/98							92,092.71
9/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
9/15/98							92,092.71
10/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
10/15/98							92,092.71
11/1/98	59,583.33	32,509.38	92,092.71	57,916.67	202,544.79	260,461.46	260,461.46
11/15/98							92,092.71
12/1/98	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
12/15/98							91,730.21
1/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
1/15/99							91,730.21
2/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
2/15/99							91,730.21
3/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
3/15/99							91,730.21
4/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
4/15/99							91,730.21
5/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
5/15/99							91,730.21
6/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
6/15/99							91,730.21
7/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
7/15/99							91,730.21
8/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
8/15/99							91,730.21
9/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
9/15/99							91,730.21
10/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
10/15/99							91,730.21
11/1/99	64,583.33	27,146.88	91,730.21	62,083.33	198,490.63	260,573.96	260,573.96
11/15/99							91,730.21
12/1/99	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
							92,503.65

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GROSSMONT HOSPITAL DISTRICT
 LEASE AGREEMENT
 SCHEDULE 2.1
 PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
 SCHEDULE OF BOND PAYMENTS TO TRUSTEE
 FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
12/15/99							
1/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
1/15/00							92,503.65
2/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
2/15/00							92,503.65
3/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
3/15/00							92,503.65
4/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
4/15/00							92,503.65
5/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
5/15/00							92,503.65
6/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
6/15/00							92,503.65
7/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
7/15/00							92,503.65
8/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
8/15/00							92,503.65
9/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
9/15/00							92,503.65
10/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
10/15/00							92,503.65
11/1/00	71,250.00	21,253.65	92,503.65	66,250.00	194,082.71	260,332.71	260,332.71
11/15/00							92,503.65
12/1/00	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
12/15/00							91,835.41
1/1/01	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
1/15/01							91,835.41
2/1/01	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
2/15/01							91,835.41
3/1/01	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
3/15/01							91,835.41
4/1/01	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
4/15/01							91,835.41
5/1/01	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
5/15/01							91,835.41
6/1/01	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
6/15/01							91,835.41
7/1/01	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
7/15/01							91,835.41
8/1/01	77,083.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
8/15/01							91,835.41
				71,250.00	189,279.58	260,529.58	260,529.58

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GROSSMONT HOSPITAL DISTRICT
 LEASE AGREEMENT
 SCHEDULE 2.1
 PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
 SCHEDULE OF BOND PAYMENTS TO TRUSTEE
 FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
9/1/01	77,383.33	14,752.08	91,835.41				
9/15/01							91,835.41
10/1/01	77,383.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
10/15/01							91,835.41
11/1/01	77,383.33	14,752.08	91,835.41	71,250.00	189,279.58	260,529.58	260,529.58
11/15/01							91,835.41
12/1/01	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
12/15/01							92,301.56
1/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
1/15/02							92,301.56
2/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
2/15/02							92,301.56
3/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
3/15/02							92,301.56
4/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
4/15/02							92,301.56
5/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
5/15/02							92,301.56
6/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
6/15/02							92,301.56
7/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
7/15/02							92,301.56
8/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
8/15/02							92,301.56
9/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
9/15/02							92,301.56
10/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
10/15/02							92,301.56
11/1/02	84,583.33	7,718.23	92,301.56	76,250.00	184,007.08	260,257.08	260,257.08
11/15/02							92,301.56
12/1/02				82,500.00	177,983.33	260,483.33	260,483.33
12/15/02							0.00
1/1/03				82,500.00	177,983.33	260,483.33	260,483.33
1/15/03							0.00
2/1/03				82,500.00	177,983.33	260,483.33	260,483.33
2/15/03							0.00
3/1/03				82,500.00	177,983.33	260,483.33	260,483.33
3/15/03							0.00
4/1/03				82,500.00	177,983.33	260,483.33	260,483.33
4/15/03							0.00
5/1/03				82,500.00	177,983.33	260,483.33	260,483.33
							0.00

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GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
SCHEDULE 2.1
PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BOND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
5/15/03							
6/1/03				82,500.00	177,983.33	260,483.33	260,483.33
6/15/03							0.00
7/1/03				82,500.00	177,983.33	260,483.33	260,483.33
7/15/03							0.00
8/1/03				82,500.00	177,983.33	260,483.33	260,483.33
8/15/03							0.00
9/1/03				82,500.00	177,983.33	260,483.33	260,483.33
9/15/03							0.00
10/1/03				82,500.00	177,983.33	260,483.33	260,483.33
10/15/03							0.00
11/1/03				82,500.00	177,983.33	260,483.33	260,483.33
11/15/03							0.00
12/1/03				89,166.67	171,465.83	260,632.50	260,632.50
12/15/03							0.00
1/1/04				89,166.67	171,465.83	260,632.50	260,632.50
1/15/04							0.00
2/1/04				89,166.67	171,465.83	260,632.50	260,632.50
2/15/04							0.00
3/1/04				89,166.67	171,465.83	260,632.50	260,632.50
3/15/04							0.00
4/1/04				89,166.67	171,465.83	260,632.50	260,632.50
4/15/04							0.00
5/1/04				89,166.67	171,465.83	260,632.50	260,632.50
5/15/04							0.00
6/1/04				89,166.67	171,465.83	260,632.50	260,632.50
6/15/04							0.00
7/1/04				89,166.67	171,465.83	260,632.50	260,632.50
7/15/04							0.00
8/1/04				89,166.67	171,465.83	260,632.50	260,632.50
8/15/04							0.00
9/1/04				89,166.67	171,465.83	260,632.50	260,632.50
9/15/04							0.00
10/1/04				89,166.67	171,465.83	260,632.50	260,632.50
10/15/04							0.00
11/1/04				89,166.67	171,465.83	260,632.50	260,632.50
11/15/04							0.00
12/1/04				96,250.00	164,421.67	260,671.67	260,671.67
12/15/04							0.00
1/1/05				96,250.00	164,421.67	260,671.67	260,671.67
1/15/05							0.00
				96,250.00	164,421.67	260,671.67	260,671.67

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GROSSMONT HOSPITAL DISTRICT
 LEASE AGREEMENT
 SCHEDULE 2.1
 PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
 SCHEDULE OF BOND PAYMENTS TO TRUSTEE
 FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
2/1/05							0.00
2/15/05							0.00
3/1/05				96,250.00	164,421.67	260,671.67	260,671.67
3/15/05							0.00
4/1/05				96,250.00	164,421.67	260,671.67	260,671.67
4/15/05							0.00
5/1/05				96,250.00	164,421.67	260,671.67	260,671.67
5/15/05							0.00
6/1/05				96,250.00	164,421.67	260,671.67	260,671.67
6/15/05							0.00
7/1/05				96,250.00	164,421.67	260,671.67	260,671.67
7/15/05							0.00
8/1/05				96,250.00	164,421.67	260,671.67	260,671.67
8/15/05							0.00
9/1/05				96,250.00	164,421.67	260,671.67	260,671.67
9/15/05							0.00
10/1/05				96,250.00	164,421.67	260,671.67	260,671.67
10/15/05							0.00
11/1/05				96,250.00	164,421.67	260,671.67	260,671.67
11/15/05							0.00
12/1/05				103,333.33	156,817.92	260,151.25	260,151.25
12/15/05							0.00
1/1/06				103,333.33	156,817.92	260,151.25	260,151.25
1/15/06							0.00
2/1/06				103,333.33	156,817.92	260,151.25	260,151.25
2/15/06							0.00
3/1/06				103,333.33	156,817.92	260,151.25	260,151.25
3/15/06							0.00
4/1/06				103,333.33	156,817.92	260,151.25	260,151.25
4/15/06							0.00
5/1/06				103,333.33	156,817.92	260,151.25	260,151.25
5/15/06							0.00
6/1/06				103,333.33	156,817.92	260,151.25	260,151.25
6/15/06							0.00
7/1/06				103,333.33	156,817.92	260,151.25	260,151.25
7/15/06							0.00
8/1/06				103,333.33	156,817.92	260,151.25	260,151.25
8/15/06							0.00
9/1/06				103,333.33	156,817.92	260,151.25	260,151.25
9/15/06							0.00
10/1/06				103,333.33	156,817.92	260,151.25	260,151.25
							0.00

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GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
SCHEDULE 2.1
PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BOND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
10/15/06							
11/1/06				103,333.33	156,317.92	260,151.25	260,151.25
11/15/06							0.00
12/1/06				112,083.33	148,654.58	260,737.91	260,737.91
12/15/06							0.00
1/1/07				112,083.33	148,654.58	260,737.91	260,737.91
1/15/07							0.00
2/1/07				112,083.33	148,654.58	260,737.91	260,737.91
2/15/07							0.00
3/1/07				112,083.33	148,654.58	260,737.91	260,737.91
3/15/07							0.00
4/1/07				112,083.33	148,654.58	260,737.91	260,737.91
4/15/07							0.00
5/1/07				112,083.33	148,654.58	260,737.91	260,737.91
5/15/07							0.00
6/1/07				112,083.33	148,654.58	260,737.91	260,737.91
6/15/07							0.00
7/1/07				112,083.33	148,654.58	260,737.91	260,737.91
7/15/07							0.00
8/1/07				112,083.33	148,654.58	260,737.91	260,737.91
8/15/07							0.00
9/1/07				112,083.33	148,654.58	260,737.91	260,737.91
9/15/07							0.00
10/1/07				112,083.33	148,654.58	260,737.91	260,737.91
10/15/07							0.00
11/1/07				112,083.33	148,654.58	260,737.91	260,737.91
11/15/07							0.00
12/1/07				120,416.67	139,800.00	260,216.67	260,216.67
12/15/07							0.00
1/1/08				120,416.67	139,800.00	260,216.67	260,216.67
1/15/08							0.00
2/1/08				120,416.67	139,800.00	260,216.67	260,216.67
2/15/08							0.00
3/1/08				120,416.67	139,800.00	260,216.67	260,216.67
3/15/08							0.00
4/1/08				120,416.67	139,800.00	260,216.67	260,216.67
4/15/08							0.00
5/1/08				120,416.67	139,800.00	260,216.67	260,216.67
5/15/08							0.00
6/1/08				120,416.67	139,800.00	260,216.67	260,216.67
6/15/08							0.00
				120,416.67	139,800.00	260,216.67	260,216.67

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GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
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GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BOND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
7/1/08							0.00
7/15/08							0.00
8/1/08				120,416.67	139,300.00	260,216.67	260,216.67
8/15/08							0.00
9/1/08				120,416.67	139,300.00	260,216.67	260,216.67
9/15/08							0.00
10/1/08				120,416.67	139,300.00	260,216.67	260,216.67
10/15/08							0.00
11/1/08				120,416.67	139,300.00	260,216.67	260,216.67
11/15/08							0.00
12/1/08				130,416.67	130,166.67	260,583.34	260,583.34
12/15/08							0.00
1/1/09				130,416.67	130,166.67	260,583.34	260,583.34
1/15/09							0.00
2/1/09				130,416.67	130,166.67	260,583.34	260,583.34
2/15/09							0.00
3/1/09				130,416.67	130,166.67	260,583.34	260,583.34
3/15/09							0.00
4/1/09				130,416.67	130,166.67	260,583.34	260,583.34
4/15/09							0.00
5/1/09				130,416.67	130,166.67	260,583.34	260,583.34
5/15/09							0.00
6/1/09				130,416.67	130,166.67	260,583.34	260,583.34
6/15/09							0.00
7/1/09				130,416.67	130,166.67	260,583.34	260,583.34
7/15/09							0.00
8/1/09				130,416.67	130,166.67	260,583.34	260,583.34
8/15/09							0.00
9/1/09				130,416.67	130,166.67	260,583.34	260,583.34
9/15/09							0.00
10/1/09				130,416.67	130,166.67	260,583.34	260,583.34
10/15/09							0.00
11/1/09				130,416.67	130,166.67	260,583.34	260,583.34
11/15/09							0.00
12/1/09				140,833.33	119,733.33	260,566.66	260,566.66
12/15/09							0.00
1/1/10				140,833.33	119,733.33	260,566.66	260,566.66
1/15/10							0.00
2/1/10				140,833.33	119,733.33	260,566.66	260,566.66
2/15/10							0.00
3/1/10				140,833.33	119,733.33	260,566.66	260,566.66
							0.00

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GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BOND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
3/15/10							
4/1/10				140,833.33	119,733.33	260,566.66	260,566.66
4/15/10							0.00
5/1/10				140,833.33	119,733.33	260,566.66	260,566.66
5/15/10							0.00
6/1/10				140,833.33	119,733.33	260,566.66	260,566.66
6/15/10							0.00
7/1/10				140,833.33	119,733.33	260,566.66	260,566.66
7/15/10							0.00
8/1/10				140,833.33	119,733.33	260,566.66	260,566.66
8/15/10							0.00
9/1/10				140,833.33	119,733.33	260,566.66	260,566.66
9/15/10							0.00
10/1/10				140,833.33	119,733.33	260,566.66	260,566.66
10/15/10							0.00
11/1/10				140,833.33	119,733.33	260,566.66	260,566.66
11/15/10							0.00
12/1/10				151,666.67	108,466.67	260,133.34	260,133.34
12/15/10							0.00
1/1/11				151,666.67	108,466.67	260,133.34	260,133.34
1/15/11							0.00
2/1/11				151,666.67	108,466.67	260,133.34	260,133.34
2/15/11							0.00
3/1/11				151,666.67	108,466.67	260,133.34	260,133.34
3/15/11							0.00
4/1/11				151,666.67	108,466.67	260,133.34	260,133.34
4/15/11							0.00
5/1/11				151,666.67	108,466.67	260,133.34	260,133.34
5/15/11							0.00
6/1/11				151,666.67	108,466.67	260,133.34	260,133.34
6/15/11							0.00
7/1/11				151,666.67	108,466.67	260,133.34	260,133.34
7/15/11							0.00
8/1/11				151,666.67	108,466.67	260,133.34	260,133.34
8/15/11							0.00
9/1/11				151,666.67	108,466.67	260,133.34	260,133.34
9/15/11							0.00
10/1/11				151,666.67	108,466.67	260,133.34	260,133.34
10/15/11							0.00
11/1/11				151,666.67	108,466.67	260,133.34	260,133.34
11/15/11							0.00
				164,166.67	96,333.33	260,500.00	260,500.00

22-May-91

GROSSMONT HOSPITAL DISTRICT
 LEASE AGREEMENT
 SCHEDULE 2.1
 PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
 SCHEDULE OF BOND PAYMENTS TO TRUSTEE
 FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
12/1/11							0.00
12/15/11				164,166.67	96,333.33	260,500.00	260,500.00
1/1/12							0.00
1/15/12				164,166.67	96,333.33	260,500.00	260,500.00
2/1/12							0.00
2/15/12				164,166.67	96,333.33	260,500.00	260,500.00
3/1/12							0.00
3/15/12				164,166.67	96,333.33	260,500.00	260,500.00
4/1/12							0.00
4/15/12				164,166.67	96,333.33	260,500.00	260,500.00
5/1/12							0.00
5/15/12				164,166.67	96,333.33	260,500.00	260,500.00
6/1/12							0.00
6/15/12				164,166.67	96,333.33	260,500.00	260,500.00
7/1/12							0.00
7/15/12				164,166.67	96,333.33	260,500.00	260,500.00
8/1/12							0.00
8/15/12				164,166.67	96,333.33	260,500.00	260,500.00
9/1/12							0.00
9/15/12				164,166.67	96,333.33	260,500.00	260,500.00
10/1/12							0.00
10/15/12				164,166.67	96,333.33	260,500.00	260,500.00
11/1/12							0.00
11/15/12				177,500.00	83,200.00	260,700.00	260,700.00
12/1/12							0.00
12/15/12				177,500.00	83,200.00	260,700.00	260,700.00
1/1/13							0.00
1/15/13				177,500.00	83,200.00	260,700.00	260,700.00
2/1/13							0.00
2/15/13				177,500.00	83,200.00	260,700.00	260,700.00
3/1/13							0.00
3/15/13				177,500.00	83,200.00	260,700.00	260,700.00
4/1/13							0.00
4/15/13				177,500.00	83,200.00	260,700.00	260,700.00
5/1/13							0.00
5/15/13				177,500.00	83,200.00	260,700.00	260,700.00
6/1/13							0.00
6/15/13				177,500.00	83,200.00	260,700.00	260,700.00
7/1/13							0.00
7/15/13				177,500.00	83,200.00	260,700.00	260,700.00
8/1/13							0.00

22-May-91

GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
SCHEDULE 2.1
PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BOND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS		1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	PRINCIPLE (a)	INTEREST (a)	TOTAL	
8/15/13						
9/1/13			177,500.00	83,200.00	260,700.00	260,700.00
9/15/13						0.00
10/1/13			177,500.00	83,200.00	260,700.00	260,700.00
10/15/13						0.00
11/1/13			177,500.00	83,200.00	260,700.00	260,700.00
11/15/13						0.00
12/1/13			191,250.00	69,000.00	260,250.00	260,250.00
12/15/13						0.00
1/1/14			191,250.00	69,000.00	260,250.00	260,250.00
1/15/14						0.00
2/1/14			191,250.00	69,000.00	260,250.00	260,250.00
2/15/14						0.00
3/1/14			191,250.00	69,000.00	260,250.00	260,250.00
3/15/14						0.00
4/1/14			191,250.00	69,000.00	260,250.00	260,250.00
4/15/14						0.00
5/1/14			191,250.00	69,000.00	260,250.00	260,250.00
5/15/14						0.00
6/1/14			191,250.00	69,000.00	260,250.00	260,250.00
6/15/14						0.00
7/1/14			191,250.00	69,000.00	260,250.00	260,250.00
7/15/14						0.00
8/1/14			191,250.00	69,000.00	260,250.00	260,250.00
8/15/14						0.00
9/1/14			191,250.00	69,000.00	260,250.00	260,250.00
9/15/14						0.00
10/1/14			191,250.00	69,000.00	260,250.00	260,250.00
10/15/14						0.00
11/1/14			191,250.00	69,000.00	260,250.00	260,250.00
11/15/14						0.00
12/1/14			206,666.67	53,700.00	260,366.67	260,366.67
12/15/14						0.00
1/1/15			206,666.67	53,700.00	260,366.67	260,366.67
1/15/15						0.00
2/1/15			206,666.67	53,700.00	260,366.67	260,366.67
2/15/15						0.00
3/1/15			206,666.67	53,700.00	260,366.67	260,366.67
3/15/15						0.00
4/1/15			206,666.67	53,700.00	260,366.67	260,366.67
4/15/15						0.00
			206,666.67	53,700.00	260,366.67	260,366.67

22-May-91

GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
SCHEDULE 2.1
PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BOND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
5/1/15							0.00
5/15/15							0.00
6/1/15				206,666.67	53,700.00	260,366.67	260,366.67
6/15/15							0.00
7/1/15				206,666.67	53,700.00	260,366.67	260,366.67
7/15/15							0.00
8/1/15				206,666.67	53,700.00	260,366.67	260,366.67
8/15/15							0.00
9/1/15				206,666.67	53,700.00	260,366.67	260,366.67
9/15/15							0.00
10/1/15				206,666.67	53,700.00	260,366.67	260,366.67
10/15/15							0.00
11/1/15				206,666.67	53,700.00	260,366.67	260,366.67
11/15/15							0.00
12/1/15				223,333.33	37,166.67	260,500.00	260,500.00
12/15/15							0.00
1/1/16				223,333.33	37,166.67	260,500.00	260,500.00
1/15/16							0.00
2/1/16				223,333.33	37,166.67	260,500.00	260,500.00
2/15/16							0.00
3/1/16				223,333.33	37,166.67	260,500.00	260,500.00
3/15/16							0.00
4/1/16				223,333.33	37,166.67	260,500.00	260,500.00
4/15/16							0.00
5/1/16				223,333.33	37,166.67	260,500.00	260,500.00
5/15/16							0.00
6/1/16				223,333.33	37,166.67	260,500.00	260,500.00
6/15/16							0.00
7/1/16				223,333.33	37,166.67	260,500.00	260,500.00
7/15/16							0.00
8/1/16				223,333.33	37,166.67	260,500.00	260,500.00
8/15/16							0.00
9/1/16				223,333.33	37,166.67	260,500.00	260,500.00
9/15/16							0.00
10/1/16				223,333.33	37,166.67	260,500.00	260,500.00
10/15/16							0.00
11/1/16				223,333.33	37,166.67	260,500.00	260,500.00
11/15/16							0.00
12/1/16				241,250.00	19,300.00	260,550.00	260,550.00
12/15/16							0.00
1/1/17				241,250.00	19,300.00	260,550.00	260,550.00

22-May-91

GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
SCHEDULE 2.1
PAYMENT SCHEDULE

GROSSMONT DISTRICT HOSPITAL
SCHEDULE OF BOND PAYMENTS TO TRUSTEE
FROM JUNE 1, 1991 THROUGH NOVEMBER 15, 2017

PAYMENT DUE DATE	1985 BONDS			1987A BONDS			GRAND TOTAL
	PRINCIPLE (a)	INTEREST (a)	TOTAL	PRINCIPLE (a)	INTEREST (a)	TOTAL	
1/15/17							
2/1/17				241,250.00	19,300.00	260,550.00	260,550.00
2/15/17							0.00
3/1/17				241,250.00	19,300.00	260,550.00	260,550.00
3/15/17							0.00
4/1/17				241,250.00	19,300.00	260,550.00	260,550.00
4/15/17							0.00
5/1/17				241,250.00	19,300.00	260,550.00	260,550.00
5/15/17							0.00
6/1/17				241,250.00	19,300.00	260,550.00	260,550.00
6/15/17							0.00
7/1/17				241,250.00	19,300.00	260,550.00	260,550.00
7/15/17							0.00
8/1/17				241,250.00	19,300.00	260,550.00	260,550.00
8/15/17							0.00
9/1/17				241,250.00	19,300.00	260,550.00	260,550.00
9/15/17							0.00
10/1/17				241,250.00	19,300.00	260,550.00	260,550.00
10/15/17							0.00
				241,250.00	19,300.00	260,550.00	260,550.00
TOTAL	7,734,999.90	4,980,917.64	12,715,917.54	34,499,166.66	48,254,491.03	82,753,657.69	95,469,575.23

(a) PRINCIPAL AND INTEREST PAYMENTS (EXCEPT 1991) ARE BASED ON ANNUAL AMOUNTS DUE TO BONDHOLDERS EACH YEAR DIVIDED BY TWELVE. FOR 1991, PRINCIPAL ON 1987 BONDS IS BASED ON ANNUAL AMOUNTS DIVIDED BY SIX.

GROSSMONT HOSPITAL DISTRICT
LEASE AGREEMENT
SCHEDULE 15.12

15.12 - HOSPITAL'S CORE SERVICES

- . ANESTHESIA SERVICES
- . CARDIOVASCULAR
 - Open Heart Surgery
 - Invasive and Interventional Cardiology
 - Non-Invasive Cardiology
 - Electrophysiology - Diagnostic, Therapeutic and Interventional
- . CORONARY ACUTE AND INTENSIVE CARE SERVICES
- . EMERGENCY ROOM SERVICES
- . GASTROENTEROLOGY SERVICES
 - Interventional and Non-Interventional
- . HEMODIALYSIS
 - Inpatient and Outpatient
- . HOME HEALTH SERVICES
- . HYPERBARIC MEDICINE SERVICES
- . IMAGING SERVICES
 - Diagnostic and Interventional
- . LABORATORY SERVICES
 - Anatomical and Clinical
- . MATERNITY SERVICES
 - Normal Obstetrics and Perinatology (high risk) Services
- . MEDICAL ACUTE AND INTENSIVE CARE
- . MENTAL HEALTH SERVICES
 - Inpatient and Outpatient
- . NEONATAL ACUTE AND INTENSIVE CARE
- . ONCOLOGY
 - Inpatient, Outpatient and Radiation Therapy
- . PEDIATRICS
 - Acute
- . PHARMACY
 - Inpatient and Outpatient
- . PULMONARY SERVICES
- . REHABILITATION SERVICES
 - Inpatient and Outpatient
- . SURGICAL ACUTE AND INTENSIVE CARE
- . SURGERY SERVICES
 - Ambulatory Surgery
 - Dental Surgery
 - General Surgery
 - Gynecological Surgery
 - Neurological Surgery
 - Ophthalmologic Surgery
 - Orthopedic Surgery
 - Otolaryngologic Surgery
 - Plastic Surgery
 - Podiatric Surgery
 - Urologic Surgery
 - Vascular/Thoracic Surgery
- . WELLNESS SERVICES