

THIRD AMENDMENT TO LEASE

This Third Amendment to Lease ("Amendment") is entered into on this 21st day of December, 2001, between Grossmont Healthcare District (formerly known as "Grossmont Hospital District"), a public agency and political subdivision of the State of California, organized and existing pursuant to the Local Healthcare District Law (Division 23 of the California Health and Safety Code) (hereafter "District"), and Grossmont Hospital Corporation, a California non-profit public benefit corporation (hereafter "GHC"), and shall be effective as of December 21, 2001.

RECITALS

A. On May 29, 1991, District and GHC entered into that certain Lease Agreement ("Lease"), whereby District leased to GHC for a period of thirty (30) years that certain real property described in Exhibit "A" to the Lease (hereafter the "Property").

B. On or about May 17, 1996, District and GHC executed an Amendment to Lease, which amended Schedule 1.1 of the Lease to amend and replace Exhibit "A" to the lease.

C. On or about January 3, 2001, District and GHC executed a First Amendment to Lease. Said First Amendment to Lease was actually the second amendment to the Lease, but there is no document titled "Second Amendment to Lease."

D. An additional parcel of land (the "T-2 parcel") was acquired in fee by District subsequent to the execution by District and GHC of both the original Lease Agreement and the Amendment to Lease. District and GHC by this Amendment are desirous of incorporating the T-2 parcel as part and parcel of the Property which is subject to the Lease, and formally incorporating same into the description of the Property leased by District to GHC pursuant to the Lease and all previous amendments thereto. The legal description of the T-2 parcel is attached hereto and incorporated herein by reference as Exhibit "T-2."

E. The parties also desire by this Amendment to enter into an agreement whereby the District contributes 50 percent of the costs, up to a maximum of \$250,000, to improve the T-2 parcel to provide parking at Grossmont Hospital in accordance with the terms and conditions of this Amendment.

Now, therefore, based upon the foregoing, the parties to the Lease hereby agree as follows:

1. Schedule 1.1 and Exhibit "A" of the Lease (and all previous amendments thereto), which describe the Property subject to the Lease, is hereby amended to include and

incorporate the T-2 parcel (Exhibit "T-2" attached hereto) as part of the leasehold and Property subject to the Lease.

2. After execution by both parties hereto, this Third Amendment to Lease shall be submitted for recording in the official records of the County Recorder of San Diego County, California, to amend and include the T-2 parcel into the legal description of the Property subject to the Lease dated May 29, 1991, and recorded as Document No. 1991-0457457, and all previous amendments thereto.

3. District agrees to contribute 50 percent of the costs of design and construction of a parking lot on the T-2 parcel, up to a maximum of \$250,000, provided at least 50 percent of the parking space on the T-2 parcel will be reserved for patients and visitors of the Grossmont Hospital. Payment of District's contribution shall be made to GHC within thirty (30) days of completion of the parking lot improvements to the T-2 parcel. GHC may request a reduction in parking spaces allocated to patients and visitors after completion of the hospital emergency room improvements.

4. The plans and specifications for the parking lot improvements shall be subject to review and reasonable approval of District, which shall be given within ten (10) days of their submission to District.

IN WITNESS WHEREOF, this Third Amendment to Lease has been duly executed by the parties hereto as of the day and year first above written.

"District":

GROSSMONT HEALTHCARE DISTRICT, a
Public Agency

By: *Gloria A. Chadwick*
Gloria A. Chadwick, R.N.
President, Board of Directors

"GHC":

GROSSMONT HOSPITAL CORPORATION, a
California Non-Profit Public Benefit Corporation

By: *Michele Tarbet*
Michele Tarbet
Chief Executive Officer