

**LEASE AGREEMENT
FOR USE OF THE
BRIERCREST PROPERTY SITE
BETWEEN
GROSSMONT HEALTHCARE DISTRICT
AND
GROSSMONT HOSPITAL CORPORATION**

This Lease Agreement (“Agreement”) is made and entered into this 7th day of December, 2020, by and between Grossmont Healthcare District (hereinafter referred to as “District”), a California Healthcare District organized and operating pursuant to Health and Safety Code section 32000 et seq., and Grossmont Hospital Corporation (hereinafter referred to as “GHC”), a California non-profit public benefit corporation. This Agreement shall be effective upon approval of the governing boards of each party and execution.

RECITALS

1. District owns approximately 1.25 acres of real property located at the northwest corner of Murray Drive and Wakarusa Street, commonly known as the Briercrest property site and comprised of 9080 Murray Drive and 9141, 9151, and 9161 Wakarusa Street, in the City of La Mesa, California (hereinafter referred to as the “Property”). A legal description of the Property is attached hereto as Exhibit “A” and incorporated herein by reference.

2. On or about August 23, 2020, District declared the Property “surplus land” and offered the Property in writing for sale or lease to local public agencies in accordance with the provisions of Government Code Section 54222. That process has been completed with no offers of sale or lease of the Property from the local public agencies.

3. GHC has offered to lease the Property for a ten (10) year term for use as a parking lot by the employees and visitors of Sharp Grossmont Hospital. Such use will benefit the hospital and the community.

4. The parties desire to enter into this Agreement for the lease, use, and maintenance of the Property by GHC in accordance with the terms and conditions of this Agreement.

COVENANTS

5. Lease of the Property. District agrees to lease the Property to GHC as a parking lot for employees and visitors to Sharp Grossmont Hospital in compliance with all current applicable laws, zoning regulations, and accessibility standards. No other use will be allowed without the express written permission of the Board of Directors of the District. The use of the Property shall be pursuant to the terms and conditions set forth in this Agreement.

6. Reservation of Rights. District reserves the right to periodically use the Property for special events without cost or charge upon reasonable notice to the CEO of Sharp Grossmont Hospital. The District agrees to cooperate with GHC to minimize the impacts of the District's use.

7. Term of Lease. The term of this Agreement shall be for a period of ten (10) years beginning on January 1, 2021, and ending on December 31, 2030.

8. Rent. GHC agrees pay rent to the District in installments of Seven Thousand Five Hundred Dollars (\$7,500) per month, payable on or before the fifth (5th) day of each month. In the event payment is not received by the fifth (5th) day of the month, GHC shall be subject to a late charge equal to ten (10%) of such installment. Rent shall be subject to an annual increase of 2.5% on January 1st of each year.

9. Improvements and Maintenance. As additional consideration for District entering into this Agreement, GHC agrees to submit an Improvement and Maintenance Plan to District by December 11, 2020, which shall include all proposed improvements that GHC intends to make to the Property including paving, fencing, gates, lighting, landscaping, security, and maintenance. The Improvement Plan shall be subject to review and approval of the District Board of Directors. All improvements, maintenance, and repairs to the Property for use as a parking lot during the term of the lease shall be at the sole cost and expense of GHC. In addition, GHC shall be responsible for securing all approvals and permits from the City of La Mesa, California, to use and operate the Property as a parking lot. District shall cooperate with GHC in securing approval and all applicable permits. GHC further agrees to operate, maintain, and repair the parking lot and landscaping on the Property, on a continuing basis, in a good and satisfactory condition.

10. Security Services. Upon taking possession of the Property, GHC shall be responsible for providing all security services to keep the property and individuals who use the parking lot in a safe condition. The parties agree and understand that District shall have no responsibility or liability for providing security services.

11. Insurance. As additional consideration for District entering into this Agreement, GHC agrees to obtain and keep in full force a policy of Commercial General Liability Insurance, Automobile Liability Insurance, and Property Insurance in amounts and from carriers acceptable to the District and insuring the Property and District. GHC agrees to name District as an additional insured on such policies.

12. Indemnification. As additional consideration for District entering into this Agreement, GHC agrees to protect, save, defend, and hold District and its governing board, members, agents, officers, and employees harmless from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of or in any way connected with GHC's use of the Property, including any errors or omissions of District's governing board members, agents, officers, or employees.

13. Application of Hold Harmless Clause. The indemnification and hold harmless provisions set forth in section 12 above shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation on the amount of indemnification to be provided.

14. Alterations and Additions. GHC agrees not to make any material additions, alterations, or improvements to the Property without obtaining the prior written consent of District. All work with respect to any improvements shall be done in a good and workmanlike manner by properly qualified and licensed personnel in accordance with all applicable laws, including without limitation wage and hour requirements of Labor Code sections 1770 et seq. All such improvement work shall be diligently prosecuted to completion.

15. Additional Right of Inspection. During the term hereof, District shall have the right, upon reasonable notice, to enter the Property for the purpose of inspections, including inspection of repairs, alterations, or improvements to the Property.

16. Obligations Upon Termination. Upon expiration or termination of this Agreement for any reason, GHC agrees to leave the Property in good and satisfactory condition.

17. Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or such other address as the respective parties may provide in writing for this purpose:

GHC: Scott Evans, Senior VP and CEO,
5555 Grossmont Center Drive
La Mesa, California 91942

District: Chief Executive Officer
Grossmont Healthcare District
9001 Wakarusa Street
La Mesa, California 91942

18. Successors and Assigns. This Agreement shall be binding on the successors and assigns of each party and shall not be assigned by either party without the prior written consent of the other party.

19. Governing Law. This Agreement shall be governed by the laws of the State of California. Any action brought to enforce the terms of this Agreement shall be brought in a state or federal court located in the County of San Diego, State of California.

20. Severability. If any section, subsection, sentence, clause, or phrase of this Agreement or the application thereof to any of the parties is for any reason held invalid or unenforceable, the validity of the remainder of the Agreement shall not be affected thereby and may be enforced by the parties to this Agreement.

21. Amendments. This Agreement may not be amended or modified except by a written instrument executed by both parties.

22. Interpretation. In interpreting this Agreement, it shall be deemed that it was prepared jointly by the parties with full access to legal counsel of their own. No ambiguity shall be resolved against any party on the premise that it or its attorneys were solely responsible for drafting this Agreement or any provision thereof.

23. Landlord/Tenant. The relationship under this Agreement between District and GHC, and the governing board members, agents, employees, and subcontractors of GHC in the performance of this Agreement, shall be one of landlord/tenant, and no

governing board members, agents, employees, or subcontractors of GHC shall be deemed to be officers, employees, or agents of District.

24. Compliance with Applicable Laws and Regulations. During the term of this Agreement, GHC agrees to comply with all federal, state, and local laws and regulations, including but not limited to labor laws, licensing laws, occupational, and general safety laws, public bidding statutes, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and the Americans With Disabilities Act. All licenses, permits, notices, and certificates as are required to be maintained by GHC shall be in effect throughout the term of this Agreement.

25. Miscellaneous Provisions.

25.1 Attorneys' Fees. If any action or proceeding is brought by either party against the other pertaining to or arising out of this Agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.

25.2 Captions, Articles, and Section Numbers. The captions appearing within the body of this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit, or enlarge the scope or meaning of this Agreement. All references to article and section numbers refer to articles and sections in this Agreement.

25.3 Authority. Each individual signing this Agreement represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the entity for which he or she is signing.

25.4 Counterparts. This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same Agreement.

25.5 Further Assurances. The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Agreement.

25.6 Entire Agreement. This Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned herein, and no

prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

25.7 Waiver. No delay or omission in the exercise of any right or remedy of District upon any default by GHC shall impair such right or remedy or be construed as a waiver of such default.

Dated: _____

Dated: _____

GROSSMONT HEALTHCARE DISTRICT

GROSSMONT HOSPITAL CORPORATION

By: _____
Barry Jantz, CEO

By: _____
Scott Evans, CEO and
Senior Vice President