

 Grossmont Healthcare District	Policy No: CH-01 [BOD-14]	Page 1 of 3
	Title: TENANT RELATIONS	
Policies and Procedures Manual	Last Board Approval Date: 08/15/24	

The Extended Lease Agreement dated July 1, 2014, between Grossmont Hospital Corporation (“GHC” or “Tenant”) and the District imposes various obligations on the parties including District representation on the GHC Corporation Board of Directors. This policy establishes the timelines and obligations to assure the District’s compliance with the terms of the lease:

1. Board members shall comply with Article VIII of the District Bylaws concerning service on the GHC Board of Directors. District Board members shall receive stipends for attendance at GHC Board, GHC committee, or Sharp HealthCare Board meetings in accordance with BOD-11 B.4. Designees (or Non-District Board member representatives on the GHC Board) shall be limited to a payment equivalent to the District Board of Directors’ for three (3) separate meetings during any calendar month.
2. The District CEO shall maintain at all times a current list of all members of the GHC Board of Directors. The list shall indicate the length of terms, the basis for eligibility (e.g. Chief of Staff, Hospital CEO, District appointee, District Board member, etc.).
3. The District Board shall monitor GHC’s performance under the lease, including, but not limited to:
 - a) Operation of Grossmont Hospital as a nonprofit community based hospital.
 - b) Maintenance of Grossmont Hospital in good condition and repair.
 - c) Major operational decisions shall be made without discrimination against the interests of the community.
 - d) Core services cannot be materially reduced or terminated without holding two public hearings and prior written consent from the District.
 - e) GHC must maintain adequate liability and malpractice insurance for Grossmont Hospital.
 - f) GHC must provide an annual “Facilities Report,” including capital planning and third-party and regulatory inspection reports.



- g) GHC must update the Grossmont Hospital Master Site Plan every seven (7) years beginning with the first update in 2016.
 - h) GHC shall be responsible for financing future Master Site Plan capital improvements including seismic compliance.
4. The District Facilities Committee shall meet not less frequently than quarterly for the purpose of inspecting Sharp Grossmont Hospital. Reports of the Committee's findings shall be presented to the District Board and shall be published in the agenda packet of the meeting of the full board. The District Board shall notify the GHC Board and Sharp Management of items that have not been satisfactorily repaired. If satisfactory corrective action is not taken, the District Board may institute the Dispute Resolution Process as provided in the 2014 Extended Lease Agreement.
5. District Board members are contractually obligated to keep confidential all financial statements of Sharp Healthcare (Sharp) or GHC. Violators of this requirement may be denied future access to confidential data of Sharp or GHC. Nothing in this section prohibits the disclosure of information already available to the public.
6. One District approved member of the GHC Board shall be selected by the Sharp Board to serve on the Finance Committee of Sharp.
7. The GHC Board and the District Board shall meet annually to discuss the current status of the hospital. Every third year the meeting shall include a review of Tenant's long range plans.
8. GHC and the District shall work collaboratively in developing healthy communities. GHC shall designate a representative to the District's Public Relations & Outreach and the Community Grants & Sponsorships Committees. The GHC representative will be entitled to participate on the committee as a non-voting member.
9. GHC capital expenditures relating to the hospital exceeding \$10M must be approved by not fewer than two (2) District approved directors who shall notify the District Board.



10. At least two (2) District approved directors (one of whom shall be an elected member of the District Board, if one sits on the GHC Board) shall have input into the selection and annual review of the hospital's Chief Executive Officer.
11. At least two (2) District approved directors shall serve on each Standing Committee of GHC. Members of the District Board not serving on the GHC Board may serve on Standing Committees subject to the consent of GHC. In no case shall more than two members of the District Board serve on the same Standing Committee of GHC.
12. The District CEO shall periodically provide a report to the District Board relating to the GHC Board meetings and hospital activities with the prior approval of the GHC CEO or the GHC Community Relations Manager.
13. District Designees to the GHC Board may share any information (including confidential information) related to GHC Board meetings with the GHD Board member who appointed the Designee to the GHC Board. A copy of this Section BOD-14 shall be provided to all Designees upon appointment to the GHC Board.