

October 22, 1999

Palomar-Pomerado Health System  
Pomerado Hospital  
15615 Pomerado Road  
Poway, California 92064

Attention: Mr. Dan Lambson, Director  
Design and Facilities Planning

Subject: **Palomar-Pomerado Health System**  
**SB 1953 Seismic Evaluation**  
**Palomar Hospital -- Escondido**  
**Phase IA Report**  
**Dames & Moore Project 41735-001-004**

Dear Mr. Lambson:

We are pleased to transmit three (3) copies of our Phase 1A report on our SB 1953 seismic evaluation of Palomar Hospital. The report addresses two aspects of the seismic resistance of the facility -- structural and nonstructural.

Structurally, this report describes our findings on the seismic resistance of the three Non-Conforming buildings at Palomar Hospital. These are McLeod Tower, the East Extension to the McLeod Tower and the Adams Wing.

In brief summary, our findings are that all three of these pre-OSHDP buildings will require retrofit-strengthening. This report then describes our conceptual retrofit schemes for bringing these three buildings into structural compliance with OSHDP requirements for life-safety by the year 2008. Finally, we have provided our cost estimates for bringing these three buildings into compliance.

The report also describes our Phase IA evaluation of the degree to which the nonstructural systems and equipment in all six major buildings at the Palomar facility are non-compliant with OSHDP's SB 1953 requirements. It then provides estimates of the direct construction costs of bringing these systems into compliance by the SB 1953 target years for the various systems.

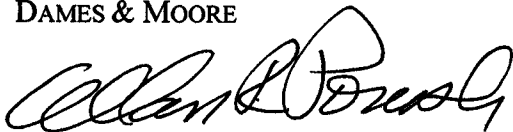
Our best estimate for the direct construction costs of the retrofit-strengthening of all buildings at Palomar Hospital to meet year 2008 OSHPD requirements is about \$5,500,000. This includes structural and nonstructural construction costs. However, Dames & Moore is recommending that Palomar-Pomerado Health Systems allocate a budget allowance totaling at least \$6,670,000 for the direct construction costs of SB 1953 seismic retrofit measures.

Finally, it will be apparent from reading of this report that additional study (designated as the Phase 1B study) will be appropriate. This additional study will be to verify (or disprove) some of the preliminary conclusions about which some ambiguity remains, and also to provide a sharper definition of the required retrofit measures and their costs.

Please call if you have any questions on any aspects of this report.

Sincerely,

DAMES & MOORE

A handwritten signature in black ink, appearing to read 'Allan R. Porush', is written over the printed name.

Allan R. Porush, S.E.  
Associate

cc: Victoria Penland -- Palomar  
John Schreiber -- Palomar  
Tina Reitsma -- Palomar  
Mike Mehrahn -- D & M  
Bill Holmes -- R & C -- 2 copies  
Jack Kasar -- D & M  
Mehrdad Shahabi -- URS / D&M