

WHEN RECORDED, MAIL TO:

KEITH O. COWAN  
ALTON & BIRD  
1201 WEST PEACHTREE STREET  
ATLANTA, GEORGIA 30309-3424

3600

5677125  
07 DECEMBER 93 02:01 PM  
KATIE L. DIXON  
RECORDER, SALT LAKE COUNTY, UTAH  
FOUNDERS TITLE  
REC BY: SHARON WEST , DEPUTY

5677125

Space Above for Recorder's Use

**TRUST DEED**

THIS TRUST DEED is made this 7<sup>th</sup> day of December, 1993, between SUTTER SURGERY CENTERS, INC., a Delaware corporation, as Trustor, FOUNDERS TITLE COMPANY, a Utah corporation as Trustee, and AMERICAN MEDICAL INTERNATIONAL, INC., a Delaware corporation, and AMI AMBULATORY CENTRES, INC., a Florida corporation, together as Beneficiary.

Trustor hereby CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, all of Trustor's right, title and interest in and to all leasehold improvements, buildings and fixtures located on the following described property situate in Salt Lake County, State of Utah:

**SEE EXHIBIT "A" FOR LEGAL DESCRIPTION**

Together with all of Trustor's right, title and interest in water rights, rights-of-way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto now or hereafter used or enjoyed with said property, or any part thereof (collectively, the "Property").

This trust deed is subject to all of the terms and conditions of that certain Amended Ground Lease dated August 1, 1980, between Anthony W. Middleton, Jr, et al., and Salt Lake Surgical Center Inc., a Utah corporation (the "Ground Lease"), and that certain Lease and Sublease Agreement dated September 6, 1983, between Medical Leasing Limited, a Utah Limited Partnership, and Beneficiary, as amended pursuant to that certain Amendment to Lease and Sublease dated November 1, 1983 (the "Sublease").

FOR THE PURPOSE OF SECURING Trustor's faithful performance of the following (collectively, the "Secured Obligations"): (1) that certain Assignment and Assumption of Sublease and Lease dated December 7, 1993, between Trustor, as assignor and Beneficiary, as assignee; (2) that certain Assignment and Assumption

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of Anesthesia Services Contract dated February     , 1990, between Beneficiary and L.R. Webster, M.D., as amended on March 31, 1991, and approved by Trustor; (3) that certain Assignment and Assumption of Agreement dated December 5, 1990, as amended February 21, 1992, between Beneficiary and Lifetree Medical, Inc. and approved by Trustor; and (4) payment of any sums expended or advanced by Beneficiary to protect the security hereof. Items (2) and (3) above are sometimes hereinafter referred to as the "Contracts."

**I. Covenants of Trustor.**

1. Trustor covenants and agrees to pay all taxes and assessments that may be liens upon the Property, as they become due; and that any tax, assessment or prior lien if not paid when due by the Trustor may be paid by the Beneficiary, and any sum so paid shall draw interest from the time of said payment at the rate of ten percent (10%) per annum, and shall, with interest, be covered by the security of this Trust Deed. Provided, however, that Trustor may in good faith contest the amount or propriety of such taxes, assessments or prior liens after the due date thereof so long as Trustor provides Beneficiary with an adequate bond or other measure of security to cover the amount in dispute.

2. Trustor further covenants and agrees to keep the Property in substantially the same condition as it exists on the date of its execution of this Trust Deed, ordinary wear and tear excepted, subject to the rights of Trustor to make improvements and alterations to the Property pursuant to the Ground Lease and Sublease. In the event the Property is damaged or destroyed, Trustor shall complete and restore promptly in good and workmanlike manner any building which may be damaged or destroyed in accordance with the requirements of the Ground Lease and the Lease. Trustor shall pay when due all claims for labor performed or materials supplied on the Property, and shall promptly remove or contest (with an adequate bond or other measure of security acceptable to Beneficiary) the filing of a mechanic's lien against the Property.

3. Trustor hereby further covenants and agrees to perform all of the obligations to be performed by Trustor under the Secured Obligations on or before the due date thereof, including, but not limited to, the procurement of such liability and property damage insurance and fire and other casualty insurance as may be required to be maintained by the owner of the Property under the Ground Lease and the Lease. Beneficiary shall be named as an additional insured under such insurance policies, and upon the request of Beneficiary, Trustor shall offer proof of such insurance coverage.

4. In the case of an uncured and continuing Event of Default (as defined below) of this Trust Deed, Beneficiary shall have the right to declare all sums due hereunder immediately due and payable. All of Beneficiary's expenses and costs of collection, including reasonable attorney's fees, shall also be covered by the security of this Trust Deed. Time is of the essence of this Trust Deed.

5. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Trust Deed and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims. Trustor shall give Beneficiary and Trustee prompt notice in writing if any claim is asserted which does or could affect any of such matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

6. From time to time, Beneficiary may substitute a successor to any Trustee named in or acting under this Trust Deed in any manner now or later to be provided at law, or by a written instrument executed and acknowledged by Beneficiary and recorded in the office(s) of the recorder(s) of the county or counties where the property and any improvements thereon are situated. Any such instrument shall be conclusive proof of the proper substitution of the successor Trustee, who shall automatically upon recordation of the instrument succeed to all estate, title, rights, powers and duties of the predecessor Trustee, without conveyance from it.

7. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Trust Deed.

8. Trustor shall give Beneficiary prior written notice of any change in: (a) the location of Trustor's place of business or its chief executive office if it has more than one place of business; and (b) Trustor's name or business structure. All Books and Records will be located at Trustor's place of business or chief executive office if Trustor has more than one place of business.

## II. Default and Remedies

1. Trustor will be in default under this Trust Deed upon the occurrence of any one or more of the following events (some or all collectively, "Events of Default;" any one singly, an "Event of Default"):

(a) Trustor fails to perform any obligation to be performed by it under the Secured Obligations that can be cured by the payment of money or to pay money which arises under this Trust Deed, and does not cure that failure within fifteen (15) days after written notice from Beneficiary or Trustee, or such later time as may be permitted to cure the default under the Secured Obligations ; or

(b) Trustor fails to perform any obligation arising under this Trust Deed or the Secured Obligations other than one to pay money, and does not cure that failure either within fifteen (15) days after written notice from Beneficiary or Trustee, or such later time as may be permitted to cure the default under the

Secured Obligations ("Initial Cure Period"), so long as Trustor begins within the Initial Cure Period and diligently continues to cure the failure, and Beneficiary, exercising reasonable judgment, determines that the cure cannot reasonably be completed at or before expiration of the Initial Cure Period; or

(c) Trustor makes an assignment for the benefit of creditors, or Trustor files a petition seeking protection under the bankruptcy laws, or such a petition is filed against Trustor, or a receiver or trustee is appointed for all or substantially all of the assets of Trustor, and such involuntary petition or appointment is not removed or stayed within ninety (90) days thereof.

2. At any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

(a) Intentionally Omitted.

(b) Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

(c) Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Trust Deed. Such other things may include: taking and possessing all of Trustor's or the then owner's books and records relating to the property; entering into, enforcing, modifying, or cancelling leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments. Regardless of any provision of this Trust Deed, Beneficiary shall not be considered to have accepted any property other than cash or immediately available funds in satisfaction of any obligation of Trustor to Beneficiary, unless Beneficiary has given express written notice of Beneficiary's election of that remedy in accordance with Utah Uniform Commercial Code Section 70A-9-505, as it may be amended or recodified from time to time.

(d) Cure; Protection of Security. Either Beneficiary or Trustee may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Trust Deed.

(e) Terminate Secured Obligations. Beneficiary may terminate the Secured Obligations and recover from Trustor all damages Beneficiary may incur by reason of Trustor's default, including, without limitation, a sum which, at the date of such termination, represents (i) the present value (using a discount rate equal to ten percent (10%)) of the excess, if any, of (A) the total rental payments (assuming rental adjustments pursuant to paragraph C of the Sublease throughout the term thereof in a percentage amount equal to the rate of three percent (3%) per annum), and all other sums which would have been payable under the Assignment and Assumption of Sublease by Trustor for the period commencing with the day following the date of such termination and ending on the last day of the term specified in Paragraph D of the Sublease, over (B) the aggregate rental value of the Property (as determined below) for the same period determined as of the date of such termination, plus (ii) the costs of recovering the Property and all other expenses incurred by Beneficiary due to Trustor's default, including, without limitation, reasonable attorneys' fees, plus (iii) the present value (using a discount rate equal to ten percent (10%)) of the excess, if any, of (A) all payments, and all other sums which would have been payable under the Assignment and Assumption of Anesthesia Services Agreement and the Assignment and Assumption of Agreement by Trustor (assuming, for the purposes of such calculation, that any required adjustment of such payments based on cost of living or consumer price increases shall continue to be made based on an increase in a percentage amount equal to the rate of three percent (3%) per annum) for the period commencing with the date following the date of such termination and ending on the last day of the respective terms thereof, over (B) the cash payments for the collection of accounts receivable or rent, if any, that L. R. Webster, M.D., P.C., L. R. Webster, M.D. or Lifetree Medical, Inc., respectively, is obligated to pay under such Contracts for the same period determined as of the date of such termination, plus (iv) all unpaid amounts owed by Trustor as of the date of termination of such Secured Obligations plus interest at the rate of 10% per annum, plus (v) other sums of money and damages owing on the date of termination by Trustor by Beneficiary under the Secured Obligations, all of which such sum shall be deemed immediately due and payable. For purposes of this subparagraph (e), the "rental value of the Property" shall be determined by an MAI appraiser agreed to by both Trustor and Beneficiary, and if the parties cannot agree on the identity of such appraiser within fifteen days after the date the first party submits a name to the other party, then each party shall select its own MAI appraiser to determine the rental value of the Property, and the two appraisers so appointed shall select a third appraiser. The rental value of the Property shall conclusively be determined to be the average value of the two appraisals that are the closest in value to each other, and the third appraisal shall be ignored. In conducting the appraisal, each appraiser shall be instructed to take into account any use restrictions or other limitations contained in the Sublease and the remaining term of the Sublease, and such appraiser shall be instructed not to consider the highest and best use of the Property.

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GOVERNMENT

(f) Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Instrument or to obtain specific enforcement of any of the covenants or agreements of this Trust Deed.

(g) Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(i) Sales of Personal Property

(A) For purposes of this power of sale, Beneficiary may elect to treat as personal property any property which is intangible or which can be severed from the land or the improvements without causing structural damage. If it chooses to do so, Beneficiary may dispose of any personal property separately from the sale of real property, in any manner permitted by Chapter 9 Utah Uniform Commercial Code-Secured Transactions, including any public or private sale, or in any manner permitted by any other applicable law. Any proceeds of any such disposition shall not cure any Event of Default or reinstate any Secured Obligation.

(B) In connection with any sale or other disposition of such Property, Trustor agrees that the following procedures constitute a commercially reasonable sale: Beneficiary shall mail written notice of the sale to Trustor not later than forty-five (45) days prior to such sale. Once per week during the four weeks immediately preceding such sale, Beneficiary will publish notice of the sale in a local daily newspaper of general circulation. Upon receipt of any written request, Beneficiary will make the Property available to any bona fide prospective purchaser for inspection during reasonable business hours. Notwithstanding, Beneficiary shall be under no obligation to consummate a sale if, in its judgment, none of the offers received by it equals the fair value of the Property offered for sale. The foregoing procedures do not constitute the only procedures that may be commercially reasonable.

(ii) Trustee's Sales of Real Property or Mixed Collateral

(A) To the extent permitted by law, Beneficiary may choose to dispose of some or all of the Property which consists solely of real property in any manner then permitted by applicable law. In its discretion, Beneficiary may also or alternatively choose to dispose of some or all of the Property, in any combination consisting of both real and personal property, together in one sale to be held in accordance with the law and procedures applicable to real property, as permitted by Utah Uniform Commercial Code Section 70A-9-501(4) of the Uniform

Commercial Code. Trustor agrees that such a sale of personal property together with real property constitutes a commercially reasonable sale of the personal property. For purposes of this power of sale, either a sale of real property alone, or a sale of both real and personal property together in accordance with Utah Uniform Commercial Code Section 70A-9-501(4), will sometimes be referred to as a "Trustee's Sale."

(B) Before any Trustee's Sale, Beneficiary or Trustee shall give such notice of default and election to sell as may then be required by law. When all time periods then legally mandated have expired, and after such notice of sale as may then be legally required has been given, Trustee shall sell the property being sold at a public auction to be held at the time and place specified in the notice of sale. Neither Trustee nor Beneficiary shall have any obligation to make demand on Trustor before any Trustee's Sale. From time to time in accordance with then applicable law, Trustee may, and in any event at Beneficiary's request shall, postpone any Trustee's Sale by public announcement at the time and place noticed for that sale.

(C) At any Trustee's Sale, Trustee shall sell to the highest bidder at public auction for cash in lawful money of the United States. Trustee shall execute and deliver to the purchaser(s) a deed or deeds conveying the property being sold without any covenant or warranty whatsoever, express or implied. The recitals in any such deed of any matters or facts, including any facts bearing upon the regularity or validity of any Trustee's Sale, shall be conclusive proof of their truthfulness. Any such deed shall be conclusive against all persons as to the facts recited in it.

If Beneficiary chooses to have more than one Foreclosure Sale, Beneficiary at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as Beneficiary may deem to be in its best interests. No Foreclosure Sale shall terminate or affect the liens of this Trust Deed on any part of the Property which has not been sold, until all of the Secured Obligations have been satisfied.

3. At any Foreclosure Sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Beneficiary may settle for the purchase price by crediting the sales price of the property against the following obligations:

(a) First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee hereunder; and

(b) Second, all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

4. Beneficiary and Trustee shall apply the proceeds of any Foreclosure Sale in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to reimburse Beneficiary or Trustee hereunder;

(b) Second, to pay the portion of the Secured Obligations attributable to any sums expended or advanced by Beneficiary or Trustee under the terms of this Trust Deed which then remain unpaid;

(c) Third, to pay all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose; and

(d) Fourth, to remit the remainder, if any, to the person or persons entitled to it.

### III. General Provisions

1. Trustor further covenants that in case of a sale as hereinbefore provided, Trustor, or any person in possession under Trustor, shall then become and be tenants holding over and shall forthwith deliver possession to the purchaser at such sale, or be summarily dispossessed, in accordance with provisions of law applicable to tenants holding over.

2. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise.

3. All remedies provided herein are distinct and cumulative to any other right or remedy hereunder or afforded by law or equity, and may be exercised concurrently, independently or successively.

4. Whenever the terms "Trustor" or "Beneficiary" are used in this deed such terms shall be deemed to include the successors and assigns of such parties. All rights and powers herein granted to the Beneficiary shall inure to and include its successors and assigns, and all obligations herein imposed on the Trustor shall extend to and include Trustor's successors and assigns.



5. Recitals in any Trustee's deed conveying the Property will be presumed to be true.

6. Proceeding under this Trust Deed, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

7. This lien shall remain superior to liens later created even if the time of payment of all or part of the Secured Obligations is extended or part of the Property is released.

8. If any portion of the Secured Obligations cannot be lawfully secured by this Trust Deed, payments shall be applied first to discharge that portion.

9. When the context requires, singular nouns and pronouns include the plural.

10. Trustor represents that this Trust Deed is given for the purpose of securing Trustor's obligations under the Secured Obligations.

11. The validity, construction and effect of this deed shall be governed by the laws of the State of Utah.

12. Trustee shall have no obligation to perform any act which it is empowered to perform under this Trust Deed unless it is requested to do so in writing and is reasonably indemnified against loss, cost, liability and expense.

13. Trustor waives all rights, legal and equitable, it may now or hereafter have to require marshalling of assets or to require upon foreclosure sales of assets in a particular order. Each successor and assign of Trustor, including any holder of a lien subordinate to this Trust Deed, by acceptance of its interest or lien agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

14. If any provision of this Trust Deed should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and shall in no way affect the validity of this Trust Deed, except that if such provision relates to the payment of any monetary sum, then Beneficiary may, at its option, declare all such sum immediately due and payable.

15. Exhibit B attached hereto is incorporated herein by this reference.

16. Trustor hereby requests that a copy of notice of default and notice of sale be mailed to it at the address set forth below. That address is also the mailing address of Trustor.

Addresses Where Notices to Trustor Are to be Sent:

1201 Alhambra Boulevard, Suite 330,  
Sacramento, California 95816

Address Where Notices to Beneficiary Are to be Sent:

American Medical International, Inc.  
8201 Preston Road, Suite 300  
Dallas, TX 75225

AMI Ambulatory Centres, Inc.  
8201 Preston Road, Suite 300  
Dallas, TX 75225

Address Where Notices to Trustee Are to be Sent:

Founders Title Company  
1100 East 6600 South, Suite 140  
Salt Lake City, Utah 84121

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the day and year first above written.

"Beneficiary"

AMERICAN MEDICAL INTERNATIONAL, INC.,  
a Delaware corporation

By: *David J. Stued*

Its: *Asst. Treasurer*

AMI AMBULATORY CENTRES, INC., a  
Florida corporation

By: *David J. Stued*

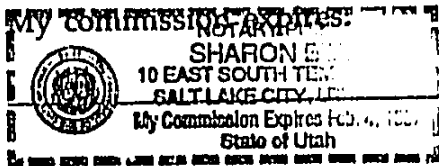
Its: *Asst. Treasurer*

-AND-

State of Utah            ]  
                                  ] ss.  
County of Salt Lake ]

On the 7<sup>th</sup> day of December, 1993, personally appears before me  
Darrell D. Struck, who being by me duly sworn says that he/she is the  
Assistant Treasurer of American Medical International, Inc., the corporation  
that executed the above and foregoing instrument and that said instrument was signed  
in behalf of said corporation by authority of its by-laws (or by authority of a resolution of  
its board of directors) and said Darrell D. Struck acknowledged to me  
that said corporation executed the same.

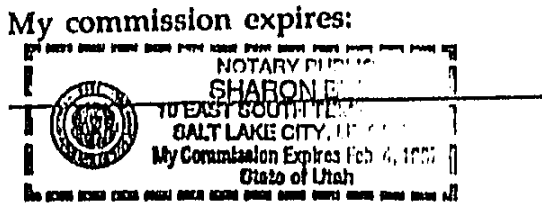
Sharon Bell  
Notary Public



State of Utah            ]  
                                  ] ss.  
County of Salt Lake ]

On the 7<sup>th</sup> day of December, 1993, personally appears before me  
Darrell D. Struck, who being by me duly sworn says that he/she is the  
Assistant Treasurer of AMI Ambulatory Centres, Inc., the corporation  
that executed the above and foregoing instrument and that said instrument was signed  
in behalf of said corporation by authority of its by-laws (or by authority of a resolution of  
its board of directors) and said Darrell D. Struck acknowledged to me  
that said corporation executed the same.

Sharon Bell  
Notary Public



"Trustor"

SUTTER SURGERY CENTERS, INC.,  
a Delaware corporation

By: Pat Thaller  
          Vice President  
Its: Project Development

State of California        )  
  ) ss  
County of Sacramento    )

On December 3, 1993, before me, the undersigned notary public, personally appeared Pat Thaller

(    ) personally known to me, or  
( X ) proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that (he/she) executed the same in (his/her) authorized capacity, and that by (his/her) signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Therese M. Ortega



EXHIBIT A

[Legal Description]

Beginning at a point on the West line of Lot 1, Block 19, Ten Acre Plat "A", Big Field Survey, of Section 31, Township 1 South, Range 1 East, Salt Lake Base and Meridian, 7 feet North of the Southwest corner of said Lot 1, and running thence East 250 feet to a point 7 feet North of the South line of said Lot 1; thence North 244 feet; thence East 90 feet; thence North 140 feet; thence West 90 feet; thence North 18 feet; thence West 250 feet; thence South 36 feet; thence West 30 feet; thence South 150 feet; thence West 132.96 feet; thence South 66 feet; thence East 162.96 feet; thence South 150 feet to the point of beginning.

## EXHIBIT B

1. Release of Deed of Trust. Beneficiary shall request and direct Trustee to fully reconvey the estate held by the Trustee created by this Trust Deed to the Trustor or its designee upon the earliest to occur of the following: (i) Trustor attains and maintains for two consecutive fiscal years shareholders' equity of THIRTY MILLION AND NO/100 DOLLARS (\$30,000,000) or more, (ii) Trustor transfers all or substantially all of the surgery center assets (including the Sublease and the Contracts) to a transferee who assumes the Secured Obligations and has a shareholders' equity of THIRTY MILLION AND NO/100 DOLLARS (\$30,000,000) or more for two consecutive fiscal years (which may include the two fiscal years prior to the transfer); (iii) Trustor obtains for Beneficiary a guarantee of the Sublease and the Contracts by a guarantor who has a net worth of THIRTY MILLION AND NO/100 DOLLARS (\$30,000,000) or more for two consecutive fiscal years (which may include the two fiscal years prior to the issuance of the guarantee); or (iv) Trustor obtains a full and complete release of Beneficiary from all of its obligations under the Sublease and the Contracts. For purposes of this paragraph 2, "shareholders' equity" means shareholders' equity determined by the accountants who prepare financial statements of Trustor, the transferee or the guarantor, as applicable, in accordance with generally accepted accounting principles.

2. Transfer of Property to Affiliate. Without the prior consent of Beneficiary, which consent shall not be withheld except under the circumstance described below, Trustor shall not sell, convey, assign, or otherwise transfer all or any material portion of the assets comprising the Salt Lake Surgical Center (including the Property, the Ground Lease, the Lease or the Contracts) to an affiliate of Trustor. Beneficiary may withhold its consent to such transfer if Beneficiary reasonably and in good faith determines that Trustor's principal purpose for such transfer is to impair Trustor's ability to perform its obligations under the Secured Obligations. In no event shall any such assignment be deemed a release of Trustor's obligations to Beneficiary under or with respect to the Secured Obligations.