



DESERT HEALTHCARE DISTRICT
Finance, Administration, Real Estate, Legal, Hospital Governance & Oversight Committee
Meeting
April 9, 2019

A meeting of the Finance, Administration, Real Estate, Legal, Hospital Governance & Committee of the Desert Healthcare District will be held at 3:00 PM, Tuesday, April 9, 2019, in the conference room on the 2nd floor of the Jerry Stergios Building, 1140 N. Indian Canyon Drive, Palm Springs, California.

AGENDA

I. CALL TO ORDER

II. APPROVAL OF AGENDA

III. PUBLIC COMMENT

At this time, comments from the audience may be made on items not listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Committee has a policy of limiting speakers to not more than three minutes. The Committee cannot take action on items not listed on the agenda. Public input may be offered on an agenda item when it comes up for discussion and/or action.

IV. APPROVAL OF MINUTES

1. F&A Minutes – Meeting February 12, 2019 – Pg. 2-4
2. HGOC Minutes – Meeting March 21, 2019 – Pg. 5-9

V. HOSPITAL GOVERNANCE & OVERSIGHT

1. Hospital Association of Southern California – SB 1152 Information

VI. CEO REPORT

VII. CHIEF FINANCIAL OFFICER'S REPORT – Pg. 10

1. LPMP Leasing Update – Pg. 11 Information

VIII. FINANCIAL REPORTS

ACTION

1. District and LPMP Financial Statements – Pg. 12-22
2. Accounts Receivable Aging Summary – Pg. 23
3. District - Deposits – Pg. 24-25
4. District - Property tax receipts – Pg. 26
5. LPMP – Deposits – Pg. 27-29
6. District – Check Register – Pg. 30-32
7. Credit Card – Detail of Expenditures – Pg. 33
8. LPMP – Check Register – Pg. 34
9. Retirement Protection Plan Update – Pg. 35
10. Grant Payment Schedule – Pg. 36

IX. OTHER MATTERS

1. Las Palmas Medical Plaza Marketing Proposal – Pg. 37-56 **ACTION**
2. Kaufman Hall Strategic Planning Proposal – Pg. 57-65 **ACTION**

X. ADJOURNMENT

If you have any disability which would require accommodation to enable you to participate in this meeting, please email Andrea S. Hayles, Special Assistant to the CEO and Board Relations Officer, at ahayles@dhcd.org or call (760) 323-6110 at least 24 hours prior to the meeting.



DESERT HEALTHCARE DISTRICT

DESERT HEALTHCARE DISTRICT

FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE

MEETING MINUTES

February 12, 2019

Directors Present

Chair/Treasurer Mark Matthews
Director Jennifer Wortham, DrPH
Arthur Shorr, Community Member

District Staff Present

Chris Christensen, Interim CEO and CFO
Lisa Houston, COO
Stephen Huyck, Accounting Manager
Andrea S. Hayles, Clerk to the Board

Absent

Director Leticia
De Lara

AGENDA ITEMS

DISCUSSION

ACTION

I. Call to Order	Chair Matthews called the meeting to order at 3:07p.m.	
II. Approval of Agenda	Chair Matthews asked for a motion to approve the Agenda.	It was moved and seconded (President Wortham, Community Member Shorr) to approve the agenda. Motion passed unanimously.
III. Public Comment	None	
IV. Approval of Minutes	Chair Matthews asked for a motion to approve the minutes of December 11, 2019.	It was moved and seconded (President Wortham, Community Member Shorr) to approve the minutes. Motion passed unanimously.
V. CEO Report	Chris Christensen, Interim CEO,	
VI. Chief Financial Officer's Report 1. LPMP Leasing Update	VI.1. Chris Christensen, Interim CEO, explained the three vacant units and the District will reach out to marketing firms to fill the vacancies.	



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FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE

MEETING MINUTES

February 12, 2019

<p>VII. Financial Reports</p> <ol style="list-style-type: none"> 1. District and LPMP Financial Statements 2. Accounts Receivable Aging Summary 3. District – Deposits 4. District – Property Tax Receipts 5. LPMP Deposits 6. District – Check Register 7. Credit Card – Detail of Expenditures 8. LPMP – Check Register 9. Retirement Protection Plan Update 10. Grant Payment Schedule 	<p>VII.1.-10. The Financial Reports were reviewed and discussed with Chris Christensen, Interim CEO.</p> <p>Director Wortham inquired concerning the director's stipends and approval of financials for checks payable to members on the F&A Committee.</p> <p>Jeff Scott, Legal Counsel, explained that the stipends and checks payable to board members are administrative tasks and it not necessary to abstain from the votes.</p> <p>The committee members requested numerical order of checks with an asterisk next to each directors check.</p>	<p>It was moved and seconded (Community Member Shorr, President Wortham) to approve the January 2019 District Financial Reports - Items 1-10 and to forward to the Board for approval. Motion passed unanimously.</p>
<p>Public Comment</p>	<p>Ezra Kaufman, District resident, inquired on the relationship between deferred inflow and outflow for the liability of the Retirement Protection Plan. Chris Christensen, Interim CEO, explained that the Net Pension Liability and related accruals are update on an annual basis by the actuarial firm.</p>	
<p>VIII. Other Matters</p> <ol style="list-style-type: none"> 1. Volunteer Community Committee Members 	<p>Chris Christensen, Interim CEO, explained that staff is working on committees and potential volunteer community members and will bring a policy to the Board for consideration at the February Board meeting.</p>	
<p>IV. Adjournment</p>	<p>Chair Matthews adjourned the meeting at 3:24 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Finance-and-Administration</p>



DESERT HEALTHCARE DISTRICT

DESERT HEALTHCARE DISTRICT

FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE

MEETING MINUTES

February 12, 2019

ATTEST: _____

Mark Matthews, Chair/Treasurer Finance & Administration Committee

Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

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DESERT HEALTHCARE DISTRICT
HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE MEETING
MEETING MINUTES
March 21, 2019

Directors Present	District Staff Present	Absent
Chair, Vice-President, Les Zendle, MD Director Karen Borja	Chris Christensen, Interim CEO, CFO Stephen Huyck, Accounting Manager Andrea S. Hayles, Clerk of the Board	Lisa Houston, COO

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	The meeting was called to order at 9:30 a.m. by Chair Zendle.	
II. Introductions	Chair Zendle invited all in attendance to introduce themselves.	
III. Approval of Agenda	Chair Zendle asked for a motion to approve the agenda	Moved and seconded by Director Borja and Vice-President Zendle to approve the agenda as amended. Motion passed unanimously.
IV. Public Comment	No public comments	
V. Approval of Meeting Minutes	Chair Zendle asked for approval of the February 21, 2019 meeting minutes.	Moved and seconded by Director Borja and Vice-President Zendle to approve the agenda. Motion passed unanimously.
VI. Old Business 1. Amendment – Leapfrog Hospital Safety Grade Upgrade – Christine Langenwalter, MSN, RNC, CENP, Chief Quality Officer	Christine Langenwalter, Chief Quality Officer, explained a revision to last month's Leapfrog update describing that eleven hospitals within 50 miles of Desert Regional Medical Center reported two hospitals with A scores, eight C scores, and one D. There was also a correction to JFK's Memorial Hospital with an A in April and a C in October.	
VII. New Business 1. Hospital Inspection – Desert Regional Medical Center	Chris Christensen, Interim CEO, described the background of the quarterly hospital inspections on a 2-year cycle, also detailing the areas that were inspected on March 5 and introduced	



HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE MEETING
MEETING MINUTES
March 21, 2019

	<p>Dale E. Barnhart, Facility Inspection Consultant.</p> <p>Mr. Barnhart explained that he was impressed with the hospital inspection noting minor corrections and some items that may take longer to replace such as signage, laminate replacement, and handrail repairs. Mr. Barnhart also explained that he will work with Desert Regional Medical Center staff to follow-up on corrective measures before the next inspection.</p> <p>Chair Zendle suggests scheduling the first half hour of the inspection for review of the corrective measures and provide a follow-up report. Director Borja explained that as owners of the hospital, the committee should take into consideration staff or committee members accompanying Mr. Barnhart for corrective measure inspection.</p> <p>The committee resolved that the inspector can schedule a review of the corrective measures at and the staff or committee members can participate in the corrective review for critical or safety matters. Mr. Barnhart will report to the committee before the quarterly inspections outlining the status of the corrective measures and any matters that may be pending or carried over in the next quarter.</p> <p>Laura Bruce, RN, Desert Regional Medical Center, expressed</p>	
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HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE MEETING
MEETING MINUTES
March 21, 2019

	<p>concerns with only one elevator functioning in the Sinatra Tower due to refurbishing.</p> <p>Michele Finney, CEO, Desert Care Network, Desert Regional Medical Center, explained that the hospital is awaiting the approval of the Office of Statewide Health Planning and Development (OSHPD) for the refurbished elevators. Due to the fire alarm system upgrade, approval of the fire alarm system must be completed before the elevators are inspected.</p> <p>The committee suggested and Desert Regional Medical Center staff will possibly reach out to elected officials to try and expedite the inspection.</p>	
<p>2. Charity Care Policy and Estimated Dollar Amount Provided for Indigent Care</p>	<p>Michele Finney, CEO, Desert Care Network, Desert Regional Medical Center, reported the 2018 data regarding charity and the uninsured discount policies. Ms. Finney defined charity care and eligibility as 200% below the poverty level for costs associated with their care. There were 131 admissions that qualified and 799 outpatient persons totaling 930 eligible patients for charity care with Desert Regional Medical Center writing-off the deduction in value or charges of \$23.8M. The uninsured are defined as 201-350% below the poverty level or their account liability owed is more than 10% of their annual household earnings – qualifying the family for discounted care at a</p>	



HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE MEETING
MEETING MINUTES
March 21, 2019

	<p>Medicaid rate. There were 136 admissions in the uninsured classifications and 3,700 outpatients primarily for the emergency department totaling 3,850 and the charges written-off at the discount rate were \$29M. Both programs totaled 4,800 patients and a \$53M write-off. The hospital publishes the charity care program for community awareness and individuals or families living below the poverty level. Eligibility workers assist to determine the qualifications for government programs. Staff in onboard 24/7 to work with families and 13 trained staff to assist with the confidential application evaluation and qualifications. Patients are notified in writing if they are denied the discounted program. The program policy is published on OSHPD's website for administering the program for equality.</p> <p>On a separate matter, Chair Zendle requested information on the compliance with SB 1152 – Hospital Patient Discharge Process for Homeless Patients since other hospitals are working in cooperation and collaborating to obtain access to shelter beds and other homelessness matters.</p> <p>Michele Finney suggested inviting Kevin Porter, Regional Vice President, Riverside and San Bernardino Counties, California Hospital Association, to discuss</p>	
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DESERT HEALTHCARE DISTRICT

HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE MEETING

MEETING MINUTES

March 21, 2019

	<p>SB 1152 and provide an update on the best practices in the community based, obtain a larger perspective, then contact Eisenhower to invite them to a future meeting to provide an update on their compliance with SB 1152.</p> <p>The committee directed staff to contact Kevin Porter to provide a presentation at the April meeting and report on how various hospitals in the Coachella Valley are addressing homelessness in the hospitals.</p>	
VIII. Adjournment	Chair Zendle adjourned the meeting at 10:20 a.m.	Audio recording available on the website at http://dhcd.org/Hospital-Governance-Oversight-Committee

ATTEST: _____

Les Zendle, MD, Chair/Vice-President
Hospital Governance and Oversight and Committee

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board



Chief Financial Officer's Report

April 9, 2019

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

93.7% currently occupied –

Total annual rent including CAM fees is \$1,217,279.

Leasing Activity:

There is a party that has expressed interest in leasing suites 1W-104 & 1W-105.

The additional vacant suite (2W-107) is approximately 1,000 sq ft.

Staff will be presenting a marketing proposal to the Finance & Administration Committee to advertise the vacant suites with the goal to bring the building to 100% occupancy

Las Palmas Medical Plaza

Unit Rental Status

As of April 1, 2019

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly CAM	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To									
											\$ 0.62		
1W, 104	Vacant					1,024	2.07%						
1W, 105	Vacant					1,060	2.15%						
2W, 107	Vacant					1,024	2.07%						
Total - Vacancies						3,108	6.30%						
Total Suites-33 - 29 Suites Occupied		\$ 58,516.90				49,356	93.7%	\$ 72,892.62	\$ 874,711.44	\$ 1.58	\$ 28,547.28	\$ 101,439.90	\$ 1,217,278.80
Summary - All Units													
	Vacant		3,108	6.3%									
	Pending		0	0%									
	Total		49,356	100%									

DESERT HEALTHCARE DISTRICT
FEBRUARY & MARCH 2019 FINANCIAL STATEMENTS
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Check Register - District
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Grants Schedule

DESERT HEALTHCARE DISTRICT				
YEAR TO DATE VARIANCE ANALYSIS				
ACTUAL VS BUDGET				
NINE MONTHS ENDED MARCH 31, 2019				
Scope: \$25,000 Variance per Statement of Operations Summary				
Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
4000 - Income	\$ 6,453,894	\$ 5,070,888	\$ 1,383,006	Interest income (net) from FRF investments \$1,398k; lower NEOPB Grant Income \$16k, lower various \$1k.
5000 - Direct Expenses	\$ 977,598	\$ 1,182,251	\$ (204,653)	Lower wage expense \$122k due to no CEO salary; higher vacation/sick/holiday expense \$9k; lower health insurance related expenses \$32k; lower retirement plan expenses \$23k; lower Board healthcare costs \$45k; higher Board stipends \$8k.
6000-General & Admin Expense	\$ 345,421	\$ 430,263	\$ (84,842)	Lower East Valley office spend \$44k; lower LAFCO assessment expense \$11k; lower computer services expense \$17k; lower various \$13k.
6500 - Professional Fees Expense	\$ 560,748	\$ 662,244	\$ (101,496)	Lower Communications & Marketing expense \$142k; higher Legal Expense of \$47k; lower Professional Fees \$7k
6700 - Trust Expenses	\$ 93,762	\$ 188,505	\$ (94,743)	RPP actuarial valuation required lower monthly expense accrual
7000 - Grants Expense	\$ 1,361,275	\$ 2,692,503	\$ (1,331,228)	Budget of \$3.5 Million for fiscal year is amortized straight-line over 12-month fiscal year.

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July 2018 through March 2019

	MONTH						TOTAL		
	Feb 19	Budget	\$ Over Budget	Mar 19	Budget	\$ Over Budget	Jul '18 - Mar 19	Budget	\$ Over Budget
Income									
4000 · Income	618,941	563,432	55,509	854,046	563,432	290,614	6,453,894	5,070,888	1,383,006
4500 · LPMP Income	101,049	106,582	(5,533)	101,440	106,582	(5,142)	898,992	927,220	(28,228)
4501 · Miscellaneous Income	750	950	(200)	750	950	(200)	6,750	8,550	(1,800)
Total Income	720,740	670,964	49,776	956,236	670,964	285,272	7,359,636	6,006,658	1,352,978
Expense									
5000 · Direct Expenses	81,423	128,119	(46,696)	85,459	128,119	(42,660)	977,598	1,182,251	(204,653)
6000 · General & Administrative Exp	41,954	61,251	(19,297)	38,014	61,251	(23,237)	345,421	430,263	(84,842)
6325 · CEO Discretionary Fund	-	417	(417)	-	417	(417)	-	3,753	(3,753)
6445 · LPMP Expenses	77,899	85,237	(7,338)	76,763	85,237	(8,474)	694,982	753,531	(58,549)
6500 · Professional Fees Expense	123,394	73,583	49,811	30,845	73,583	(42,738)	560,748	662,244	(101,496)
6700 · Trust Expenses	10,418	20,587	(10,169)	10,418	20,587	(10,169)	93,762	188,505	(94,743)
Total Expense Before Grants	335,088	369,194	(34,106)	241,499	369,194	(127,695)	2,672,511	3,220,547	(548,036)
7000 · Grants Expense	7,172	299,167	(291,995)	133,347	299,167	(165,820)	1,361,275	2,692,503	(1,331,228)
Net Income	378,480	2,603	375,877	581,392	2,600	578,792	3,325,848	93,600	3,232,249

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July 2018 through March 2019

	MONTH						TOTAL		
	Feb 19	Budget	\$ Over Budget	Mar 19	Budget	\$ Over Budget	Jul '18 - Mar 19	Budget	\$ Over Budget
Income									
4000 · Income									
4010 · Property Tax Revenues	550,348	550,348	-	550,348	550,348	-	4,953,132	4,953,132	-
4200 · Interest Income									
4220 · Interest Income (FRF)	102,434	104,000	(1,566)	53,257	104,000	(50,743)	945,408	936,000	9,408
9999-1 · Unrealized gain(loss) on invest	(42,834)	(100,000)	57,166	241,835	(100,000)	341,835	488,596	(900,000)	1,388,596
Total 4200 · Interest Income	59,600	4,000	55,600	295,092	4,000	291,092	1,434,004	36,000	1,398,004
4300 · DHC Recoveries	1,749	1,583	166	1,749	1,583	166	15,741	14,247	1,494
4400 · Grant Income	7,245	7,500	(255)	6,858	7,500	(642)	51,019	67,500	(16,481)
Total 4000 · Income	618,942	563,431	55,511	854,047	563,431	290,616	6,453,896	5,070,879	1,383,017
4500 · LPMP Income	101,049	106,581	(5,532)	101,440	106,581	(5,141)	898,995	927,213	(28,218)
4501 · Miscellaneous Income	750	950	(200)	750	950	(200)	6,750	8,550	(1,800)
Total Income	720,741	670,962	49,779	956,237	670,962	285,275	7,359,641	6,006,642	1,352,999
Expense									
5000 · Direct Expenses									
5100 · Administration Expense									
5110 · Wages Expense	57,467	82,047	(24,580)	59,479	82,047	(22,568)	657,334	779,447	(122,113)
5111 · Allocation to LPMP - Payroll	(4,420)	(4,420)		(4,420)	(4,420)		(39,780)	(39,780)	-
5112 · Vacation/Sick/Holiday Expense	7,670	6,923	747	4,987	6,923	(1,936)	74,860	65,769	9,091
5114 · Allocation to Foundation	(17,668)	(17,668)	-	(17,668)	(17,668)	-	(159,012)	(159,012)	-
5115 · Allocation to NEOPB	(6,591)	(7,797)	1,206	(6,356)	(7,797)	1,441	(45,342)	(70,173)	24,831
5119 · Allocation to RSS/CVHIP-DHCF	(1,781)		(1,781)	(1,958)		(1,958)	(14,963)		(14,963)
5120 · Payroll Tax Expense	5,281	6,277	(996)	4,824	6,277	(1,453)	51,205	59,631	(8,426)
5130 · Health Insurance Expense									
5131 · Premiums Expense	11,564	12,182	(618)	10,303	12,182	(1,879)	92,292	105,156	(12,864)
5135 · Reimb./Co-Payments Expense	5	2,500	(2,495)	173	2,500	(2,327)	3,394	22,500	(19,106)
Total 5130 · Health Insurance Expense	11,569	14,682	(3,113)	10,476	14,682	(4,206)	95,686	127,656	(31,970)
5140 · Workers Comp. Expense	643	861	(218)	643	861	(218)	6,480	8,180	(1,700)
5145 · Retirement Plan Expense	2,827	6,646	(3,819)	2,833	6,646	(3,813)	33,083	56,412	(23,329)
5160 · Education Expense		625	(625)	133	625	(492)	2,849	5,625	(2,776)
Total 5100 · Administration Expense	54,997	88,176	(33,179)	52,973	88,176	(35,203)	662,400	833,755	(171,355)
5200 · Board Expenses									
5210 · Healthcare Benefits Expense									
5211 · Health Insurance Expense	1,172	9,331	(8,159)	1,443	9,331	(7,888)	35,989	67,983	(31,994)
5224 · Retired Board - Medical Expense	(6,158)	1,237	(7,395)		1,237	(1,237)	2,775	16,133	(13,358)
Total 5210 · Healthcare Benefits Expense	(4,986)	10,568	(15,554)	1,443	10,568	(9,125)	38,764	84,116	(45,352)
5230 · Meeting Expense	1,160	667	493	1,255	667	588	11,215	6,003	5,212
5235 · Director Stipend Expense	1,900		1,900	1,100		1,100	8,100		8,100
5240 · Catering Expense		333	(333)		333	(333)	1,118	2,997	(1,879)
5250 · Mileage Reimbursement Expense	18	42	(24)	353	42	311	994	378	616
5270 · Election Fees Expense	28,333	28,333	-	28,333	28,333	-	254,997	254,997	-
Total 5200 · Board Expenses	26,425	39,943	(13,518)	32,484	39,943	(7,459)	315,188	348,491	(33,303)
Total 5000 · Direct Expenses	81,422	128,119	(46,697)	85,457	128,119	(42,662)	977,588	1,182,246	(204,658)
6000 · General & Administrative Exp									
6110 · Payroll fees Expense	161	292	(131)	161	292	(131)	1,472	2,628	(1,156)
6120 · Bank and Investment Fees Exp	9,294	9,833	(539)	9,220	9,833	(613)	84,848	88,497	(3,649)
6125 · Depreciation Expense	1,149	1,181	(32)	1,149	1,181	(32)	10,341	10,629	(288)
6126 · Depreciation-Solar Parking lot	15,072	15,072	-	15,072	15,072	-	135,648	135,648	-
6130 · Dues and Membership Expense	3,841	2,275	1,566	1,791	2,275	(484)	21,575	20,475	1,100
6200 · Insurance Expense	1,412	917	495	1,412	917	495	12,758	8,253	4,505
6300 · Minor Equipment Expense		42	(42)		42	(42)		378	(378)
6305 · Auto Allowance & Mileage Exp	385	1,017	(632)	385	1,017	(632)	4,210	9,153	(4,943)
6306 · Staff- Auto Mileage reimb	552	313	239	577	313	264	3,529	2,817	712
6309 · Personnel Expense		104	(104)		104	(104)	53	936	(883)
6310 · Miscellaneous Expense		42	(42)		42	(42)	100	378	(278)

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July 2018 through March 2019

	MONTH						TOTAL		
	Feb 19	Budget	\$ Over Budget	Mar 19	Budget	\$ Over Budget	Jul '18 - Mar 19	Budget	\$ Over Budget
6311 · Cell Phone Expense	651	777	(126)	651	777	(126)	5,894	6,993	(1,099)
6312 · Wellness Park Expenses		167	(167)		167	(167)		1,503	(1,503)
6315 · Security Monitoring Expense		36	(36)	108	36	72	353	324	29
6340 · Postage Expense		542	(542)		542	(542)	2,147	4,878	(2,731)
6350 · Copier Rental/Fees Expense	394	458	(64)	632	458	174	3,532	4,122	(590)
6351 · Travel Expense	(214)	917	(1,131)	29	917	(888)	5,515	8,253	(2,738)
6352 · Meals & Entertainment Exp	322	417	(95)	1,446	417	1,029	4,780	3,753	1,027
6355 · Computer Services Expense	1,498	3,352	(1,854)	2,448	3,352	(904)	12,966	30,168	(17,202)
6360 · Supplies Expense	2,199	1,833	366	898	1,833	(935)	17,491	16,497	994
6380 · LAFCO Assessment Expense	1,484	5,167	(3,683)	1,484	5,167	(3,683)	13,356	24,501	(11,145)
6400 · East Valley Office									
6405 · East Valley Office - Rent	550	9,167	(8,617)	550	9,167	(8,617)	1,650	27,501	(25,851)
6410 · East Valley Office - Utilities	3,203	7,333	(4,130)		7,333	(7,333)	3,203	21,999	(18,796)
Total 6400 · East Valley Office	3,753	16,500	(12,747)	550	16,500	(15,950)	4,853	49,500	(44,647)
Total 6000 · General & Administrative Exp	41,953	61,254	(19,301)	38,013	61,254	(23,241)	345,421	430,284	(84,863)
6325 · CEO Discretionary Fund		417	(417)		417	(417)		3,753	(3,753)
6445 · LPMP Expenses	77,899	85,235	(7,336)	76,763	85,235	(8,472)	694,987	753,513	(58,526)
6500 · Professional Fees Expense									
6516 · Professional Services Expense	81,527	39,167	42,360	4,353	39,167	(34,814)	345,540	352,503	(6,963)
6520 · Annual Audit Fee Expense	1,492	1,499	(7)	1,492	1,499	(7)	13,428	13,491	(63)
6530 · PR/Communications/Website	8,275	17,917	(9,642)		17,917	(17,917)	19,221	161,253	(142,032)
6560 · Legal Expense	32,100	15,000	17,100	25,000	15,000	10,000	182,560	135,000	47,560
6561 · Payroll Preparation Fees	-			-			-		
Total 6500 · Professional Fees Expense	123,394	73,583	49,811	30,845	73,583	(42,738)	560,749	662,247	(101,498)
6700 · Trust Expenses									
6720 · Pension Plans Expense									
6721 · Legal Expense		167	(167)		167	(167)		1,503	(1,503)
6725 · RPP Pension Expense	10,000	20,000	(10,000)	10,000	20,000	(10,000)	90,000	180,000	(90,000)
6728 · Pension Audit Fee Expense	418	420	(2)	418	420	(2)	3,762	3,780	(18)
Total 6720 · Pension Plans Expense	10,418	20,587	(10,169)	10,418	20,587	(10,169)	93,762	185,283	(91,521)
Total 6700 · Trust Expenses	10,418	20,587	(10,169)	10,418	20,587	(10,169)	93,762	188,505	(94,743)
Total Expense Before Grants	335,086	369,195	(34,109)	241,496	369,195	(127,699)	2,672,507	3,220,548	(548,041)
7000 · Grants Expense									
7010 · Major Grant Awards Expense	(72)	291,667	(291,739)	126,489	291,667	(165,178)	1,310,257	2,625,003	(1,314,746)
7027 · Grant Exp - NEOPB	7,245	7,500	(255)	6,858	7,500	(642)	51,019	67,500	(16,481)
Total 7000 · Grants Expense	7,173	299,167	(291,994)	133,347	299,167	(165,820)	1,361,276	2,692,503	(1,331,227)
Net Income	378,480	2,603	375,877	581,392	2,600	578,792	3,325,848	93,600	3,232,249

Las Palmas Medical Plaza
Cumulative Profit & Loss Budget vs. Actual
July 2018 through March 2019

	MONTH						TOTAL		
	Feb 19	Budget	\$ Over Budget	Mar 19	Budget	\$ Over Budget	Jul '18 - Mar 19	Budget	\$ Over Budget
Income									
4500 · LPMP Income									
4505 · Rental Income	72,502	76,024	(3,522)	72,893	76,024	(3,131)	644,291	661,788	(17,497)
4510 · CAM Income	28,547	30,474	(1,927)	28,547	30,474	(1,927)	254,704	264,678	(9,974)
4513 · Misc. Income		83	(83)		83	(83)		747	(747)
Total 4500 · LPMP Income	101,049	106,581	(5,532)	101,440	106,581	(5,141)	898,995	927,213	(28,218)
Expense									
6445 · LPMP Expenses									
6420 · Insurance Expense	1,283	1,083	200	1,283	1,083	200	11,547	9,747	1,800
6425 · Building - Depreciation Expense	20,834	22,019	(1,185)	20,834	22,019	(1,185)	187,506	198,171	(10,665)
6426 · Tenant Improvements -Dep Exp	17,850	17,120	730	17,850	17,120	730	160,850	140,478	20,172
6427 · HVAC Maintenance Expense	2,398	1,333	1,065	208	1,333	(1,125)	9,756	11,997	(2,241)
6428 · Roof Repairs Expense		208	(208)		208	(208)		1,872	(1,872)
6431 · Building -Interior Expense	1,800	208	1,592	1,495	208	1,287	10,439	1,872	8,567
6432 · Plumbing -Interior Expense		208	(208)	599	208	391	3,911	1,872	2,039
6433 · Plumbing -Exterior Expense		208	(208)		208	(208)		1,872	(1,872)
6434 · Allocation Internal Prop. Mgmt	4,420	4,420	-	4,420	4,420	-	39,780	39,780	-
6435 · Bank Charges	913	917	(4)	1,369	917	452	9,370	8,253	1,117
6437 · Utilities -Vacant Units Expense	190	208	(18)	241	208	33	1,580	1,872	(292)
6439 · Deferred Maintenance Repairs Ex	1,200	1,000	200	930	1,000	(70)	2,974	9,000	(6,026)
6440 · Professional Fees Expense	10,117	10,472	(355)	10,117	10,472	(355)	91,053	94,248	(3,195)
6441 · Legal Expense		83	(83)		83	(83)		747	(747)
6458 · Elevators - R & M Expense	214	1,000	(786)	1,542	1,000	542	11,207	9,000	2,207
6460 · Exterminating Service Expense	180	417	(237)	180	417	(237)	1,440	3,753	(2,313)
6463 · Landscaping Expense		2,250	(2,250)		2,250	(2,250)	1,300	20,250	(18,950)
6467 · Lighting Expense		2,917	(2,917)		2,917	(2,917)	2,250	26,253	(24,003)
6468 · General Maintenance Expense		83	(83)		83	(83)		747	(747)
6471 · Marketing-Advertising		1,458	(1,458)		1,458	(1,458)		13,122	(13,122)
6475 · Property Taxes Expense	6,000	6,000	-	6,000	6,000	-	54,000	54,000	-
6476 · Signage Expense		250	(250)	116	250	(134)	116	2,250	(2,134)
6480 · Rubbish Removal Medical Waste E	1,417	1,442	(25)	1,423	1,442	(19)	11,690	12,978	(1,288)
6481 · Rubbish Removal Expense	2,123	2,123	-	2,123	2,123	-	19,107	19,107	-
6482 · Utilities/Electricity/Exterior	486	708	(222)	479	708	(229)	4,005	6,372	(2,367)
6484 · Utilities - Water (Exterior)	186	583	(397)	837	583	254	6,348	5,247	1,101
6485 · Security Expenses	6,288	6,417	(129)	4,717	6,417	(1,700)	54,736	57,753	(3,017)
6490 · Miscellaneous Expense		100	(100)		100	(100)	222	900	(678)
Total 6445 · LPMP Expenses	77,899	85,235	(7,336)	76,763	85,235	(8,472)	694,987	753,513	(58,526)
Net Income	23,150	21,346	1,804	24,677	21,346	3,331	204,008	173,700	30,308

Desert Healthcare District
Balance Sheet
As of March 31, 2019

			Mar 31, 19
ASSETS			
Current Assets			
Checking/Savings			
1000 · CHECKING CASH ACCOUNTS			1,382,490
1100 · INVESTMENT ACCOUNTS			55,947,041
Total Checking/Savings			57,329,532
Accounts Receivable			51,621
Other Current Assets			
1270 · Prepaid Insurance -Ongoing			10,970
1279 · Pre-Paid Fees			13,631
1281 · NEOPB Receivable			21,208
1295 · Property Tax Receivable			1,338,607
Total Other Current Assets			1,384,415
Total Current Assets			58,765,567
Fixed Assets			
1300 · FIXED ASSETS			4,895,931
1335-00 · ACC DEPR			(1,759,441)
1400 · LPMP Assets			7,060,007
Total Fixed Assets			10,196,498
Other Assets			2,773,786
TOTAL ASSETS			71,735,851
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · Accounts Payable			7,366
2001 · LPMP Accounts Payable			3,168
Total Accounts Payable			10,534
Other Current Liabilities			
2002 · LPMP Property Taxes			(15,831)
2131 · Grant Awards Payable			1,044,839
2133 · Accrued Accounts Payable			409,547
2141 · Accrued Vacation Time			27,112
2186 · Retired BOD Medical - Current			11,974
2188 · Current Portion - LTD			3,701
2190 · Investment Fees Payable			27,418

Desert Healthcare District
Balance Sheet
As of March 31, 2019

		Mar 31, 19
	Total Other Current Liabilities	1,508,760
	Total Current Liabilities	1,519,294
	Long Term Liabilities	
	2170 · RPP - Pension Liability	3,367,793
	2171 · RPP-Deferred Inflows-Resources	2,222,190
	2280 · Long-Term Disability	51,743
	2281 · Grants Payable - Long-term	10,147,646
	2286 · Retirement BOD Medical Liabilit	87,973
	2290 · LPMP Security Deposits	58,517
	Total Long Term Liabilities	15,935,862
	Total Liabilities	17,455,156
	Equity	
	3900 · *Retained Earnings	50,954,846
	Net Income	3,325,848
	Total Equity	54,280,695
	TOTAL LIABILITIES & EQUITY	71,735,851

Desert Healthcare District
Balance Sheet
As of March 31, 2019

				Mar 31, 19
ASSETS				
	Current Assets			
	Checking/Savings			
	1000 · CHECKING CASH ACCOUNTS			
		1010 · Union Bank - Checking		1,075,332
		1046 · Las Palmas Medical Plaza		306,659
		1047 · Petty Cash		500
	Total 1000 · CHECKING CASH ACCOUNTS			1,382,490
	1100 · INVESTMENT ACCOUNTS			
		1130 · Facility Replacement Fund		56,175,775
		1135 · Unrealized Gain(Loss) FRF		(228,734)
	Total 1100 · INVESTMENT ACCOUNTS			55,947,041
	Total Checking/Savings			57,329,532
	Accounts Receivable			
	1201 · Accounts Receivable			
		1204 · LPMP Accounts Receivable		1,692
		1205 · Misc. Accounts Receivable		49,928
	Total Accounts Receivable			51,621
	Other Current Assets			
		1270 · Prepaid Insurance -Ongoing		10,970
		1279 · Pre-Paid Fees		13,631
		1281 · NEOPB Receivable		21,208
		1295 · Property Tax Receivable		1,338,607
	Total Other Current Assets			1,384,415
	Total Current Assets			58,765,567
	Fixed Assets			
	1300 · FIXED ASSETS			
		1310 · Computer Equipment		82,971
		1315 · Computer Software		68,770
		1320 · Furniture and Fixtures		27,085
		1325 · Offsite Improvements		300,849
		1331 · DRMC - Parking lot		4,416,257
	Total 1300 · FIXED ASSETS			4,895,931
	1335-00 · ACC DEPR			
		1335 · Accumulated Depreciation		(202,153)

Desert Healthcare District
Balance Sheet
As of March 31, 2019

		Mar 31, 19
	1336 · Acc. Software Depreciation	(69,059)
	1337 · Accum Deprec- Solar Parking Lot	(1,371,723)
	1338 · Accum Deprec - LPMP Parking Lot	(116,505)
	Total 1335-00 · ACC DEPR	(1,759,441)
	1400 · LPMP Assets	
	1401 · Building	8,705,680
	1402 · Land	2,165,300
	1403 · Tenant Improvements -New	2,141,711
	1404 · Tenant Improvements - CIP	129,550
	1406 · Building Improvements	
	1406.1 · LPMP-Replace Parking Lot	676,484
	1406 · Building Improvements - Other	1,364,337
	Total 1406 · Building Improvements	2,040,821
	1407 · Building Equipment Improvements	350,663
	1409 · Accumulated Depreciation	
	1410 · Accum. Depreciation	(7,113,596)
	1412 · T I Accumulated Dep.-New	(1,360,122)
	Total 1409 · Accumulated Depreciation	(8,473,718)
	Total 1400 · LPMP Assets	7,060,007
	Total Fixed Assets	10,196,498
	Other Assets	
	1700 · OTHER ASSETS	
	1731 · Wellness Park	1,693,800
	1740 · RPP-Deferred Outflows-Resources	1,057,842
	1741 · OPEB-Deferrred Outflows-Resourc	22,144
	Total Other Assets	2,773,786
	TOTAL ASSETS	71,735,851
	LIABILITIES & EQUITY	
	Liabilities	
	Current Liabilities	
	Accounts Payable	
	2000 · Accounts Payable	7,366
	2001 · LPMP Accounts Payable	3,168
	Total Accounts Payable	10,534
	Other Current Liabilities	

Desert Healthcare District
Balance Sheet
As of March 31, 2019

					Mar 31, 19
				2002 · LPMP Property Taxes	(15,831)
				2131 · Grant Awards Payable	1,044,839
				2133 · Accrued Accounts Payable	409,547
				2141 · Accrued Vacation Time	27,112
				2186 · Retired BOD Medical - Current	11,974
				2188 · Current Portion - LTD	3,701
				2190 · Investment Fees Payable	27,418
				Total Other Current Liabilities	1,508,760
				Total Current Liabilities	1,519,294
				Long Term Liabilities	
				2170 · RPP - Pension Liability	3,367,793
				2171 · RPP-Deferred Inflows-Resources	2,222,190
				2280 · Long-Term Disability	51,743
				2281 · Grants Payable - Long-term	10,147,646
				2286 · Retirement BOD Medical Liabilit	87,973
				2290 · LPMP Security Deposits	58,517
				Total Long Term Liabilities	15,935,862
				Total Liabilities	17,455,156
				Equity	
				3900 · *Retained Earnings	50,954,846
				Net Income	3,325,848
				Total Equity	54,280,695
				TOTAL LIABILITIES & EQUITY	71,735,851

Desert Healthcare District
A/R Aging Summary
As of March 31, 2019

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	
Cohen Musch Thomas Medical Group	-	-	(3,543)	-	-	(3,543)	Prepaid
Desert Healthcare Foundation-	19,626	-	19,449	-	-	39,074	Due from Foundation
Director Receivable	2,165	2,165	2,165	-	2,108	8,604	Director Insurance
Sovereign	750	-	1,500	-	-	2,250	Slow Pay
Steven Gundry, M.D.	-	5,235	-	-	-	5,235	Slow Pay
TOTAL	22,541	7,401	19,571	-	2,108	51,621	

Desert Healthcare District
Deposit Detail
February through March 2019

Type	Date	Name	Amount
Deposit	02/01/2019		849,849
		Riverside County Treasurer-	(849,849)
TOTAL			(849,849)
Deposit	02/04/2019		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)
Deposit	02/05/2019		6,776
		Riverside County Treasurer-	(6,776)
TOTAL			(6,776)
Deposit	02/06/2019		68,998
		Riverside County Treasurer-	(68,998)
TOTAL			(68,998)
Deposit	02/14/2019		135,625
Payment	02/14/2019	Desert Healthcare Foundation-	(135,625)
TOTAL			(135,625)
Deposit	03/04/2019		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)
Deposit	03/05/2019		32,604
		Riverside County Treasurer-	(32,604)
TOTAL			(32,604)
Deposit	03/06/2019		1,955

Desert Healthcare District
Deposit Detail
February through March 2019

Type	Date	Name	Amount
Payment	03/06/2019	Boys & Girls Club of Cathedral City-Unused Grant Money	(1,955)
TOTAL			(1,955)
Deposit	03/21/2019		750
Payment	03/21/2019	Sovereign	(750)
TOTAL			(750)
Deposit	03/25/2019		7,053
		Riverside County Treasurer-November 2018 NEOPB	(7,053)
TOTAL			(7,053)
Deposit	03/25/2019		11,928
		Riverside County Treasurer-	(11,928)
TOTAL			(11,928)
Deposit	03/26/2019		92
		Anthem Blue Cross-Health Premium Credit	(92)
TOTAL			(92)
		Total Deposits	1,119,128

DESERT HEALTHCARE DISTRICT											
PROPERTY TAX RECEIPTS FY 2018 - 2019											
RECEIPTS - TWELVE MONTHS ENDED JUNE 30, 2019											
	FY 2017-2018 Projected/Actual						FY 2018-2019 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance		Budget %	Budget \$	Act %	Actual Receipts	Variance
July	2.5%	\$ 157,242	1.3%	\$ 107,591	\$ (49,652)		2.5%	\$ 165,105	1.3%	\$ 87,106	\$ (77,998)
Aug	1.6%	\$ 100,635	1.7%	\$ 76,625	\$ (24,010)		1.6%	\$ 105,667	1.6%	\$ 104,633	\$ (1,034)
Sep	2.6%	\$ 163,532	2.4%	\$ 149,702	\$ (13,830)		2.6%	\$ 171,709	2.4%	\$ 155,626	\$ (16,083)
Oct	0.0%	\$ -	0.0%	\$ -	\$ -		0.0%	\$ -	0.0%	\$ -	\$ -
Nov	0.4%	\$ 25,159	0.0%	\$ 47,069	\$ 21,910		0.4%	\$ 26,417	0.0%	\$ -	\$ (26,417)
Dec	16.9%	\$ 1,062,958	17.6%	\$ 1,121,658	\$ 58,700		16.9%	\$ 1,116,106	17.8%	\$ 1,177,161	\$ 61,054
Jan	31.9%	\$ 2,006,413	33.0%	\$ 2,097,033	\$ 90,621		31.9%	\$ 2,106,733	19.7%	\$ 1,299,278	\$ (807,456)
Feb	0.0%	\$ -	0.8%	\$ 50,855	\$ 50,855		0.0%	\$ -	13.9%	\$ 918,846	\$ 918,846
Mar	0.3%	\$ 18,869	0.2%	\$ 14,782	\$ (4,087)		0.3%	\$ 19,813	0.7%	\$ 44,532	\$ 24,719
Apr	5.5%	\$ 345,933	5.8%	\$ 371,495	\$ 25,562		5.5%	\$ 363,230	0.0%		
May	19.9%	\$ 1,251,649	19.9%	\$ 1,258,864	\$ 7,215		19.9%	\$ 1,314,232	0.0%		
June	18.4%	\$ 1,157,304	16.8%	\$ 1,319,289	\$ 161,985		18.4%	\$ 1,215,169	0.0%		
Total	100%	\$ 6,289,695	99.6%	\$ 6,614,963	\$ 325,268		100.00%	\$ 6,604,180	57.3%	\$ 3,787,181	\$ 75,632

Las Palmas Medical Plaza
Deposit Detail - LPMP
February through March 2019

Type	Date	Name	Memo	Amount
Deposit	02/01/2019		Deposit	3,772
Payment	02/01/2019	Quest Diagnostics Incorporated		(3,772)
TOTAL				(3,772)
Deposit	02/05/2019		Deposit	23,893
Payment	02/05/2019	Derakhsh Fozouni, M.D.		(5,716)
Payment	02/05/2019	Palmtree Clinical Research		(6,086)
Payment	02/05/2019	Ramy Awad, M.D.		(3,180)
Payment	02/05/2019	Aijaz Hashmi, M.D., Inc.		(2,688)
Payment	02/05/2019	Brad A. Wolfson, M.D.		(3,387)
Payment	02/05/2019	Cure Cardiovascular Consultants		(2,837)
TOTAL				(23,893)
Deposit	02/05/2019		Deposit	35,791
Payment	02/05/2019	Pathway Pharmaceuticals, Inc.		(2,249)
Payment	02/05/2019	Cohen Musch Thomas Medical Group		(3,543)
Payment	02/05/2019	Tenet HealthSystem Desert, Inc.		(28,052)
Payment	02/05/2019	West Pacific Medical Laboratory		(1,947)
TOTAL				(35,791)
Deposit	02/14/2019		Deposit	5,736
Payment	02/14/2019	Peter Jamieson, M.D.		(2,997)
Payment	02/14/2019	Dennis Spurgin, D.C.		(2,738)
TOTAL				(5,736)
Deposit	02/21/2019		Deposit	9,548
Payment	02/21/2019	Laboratory Corporation of America		(9,548)
TOTAL				(9,548)
Deposit	02/25/2019		Deposit	4,774
Payment	02/25/2019	Laboratory Corporation of America		(4,774)
TOTAL				(4,774)

Las Palmas Medical Plaza
Deposit Detail - LPMP
February through March 2019

Type	Date	Name	Memo	Amount
Deposit	02/28/2019		Deposit	7,228
Payment	02/28/2019	Desert Oasis Healthcare Medical Group		(1,993)
Payment	02/28/2019	Steven Gundry, M.D.		(5,235)
TOTAL				(7,228)
Deposit	02/28/2019		Deposit	3,616
Payment	02/28/2019	Cohen Musch Thomas Medical Group		(3,616)
TOTAL				(3,616)
Deposit	03/01/2019		Deposit	3,772
Payment	03/01/2019	Quest Diagnostics Incorporated		(3,772)
TOTAL				(3,772)
Deposit	03/05/2019		Deposit	42,013
Payment	03/05/2019	Desert Family Medical Center		(3,493)
Payment	03/05/2019	Desert Oasis Healthcare Medical Group		(137)
Payment	03/05/2019	Desert Regional Medical Center		(4,903)
Payment	03/05/2019	Tenet HealthSystem Desert, Inc.		(28,052)
Payment	03/05/2019	Tenet HealthSystem Desert, Inc		(5,429)
TOTAL				(42,013)
Deposit	03/05/2019		Deposit	24,018
Payment	03/05/2019	Derakhsh Fozouni, M.D.		(5,841)
Payment	03/05/2019	Palmtree Clinical Research		(6,086)
Payment	03/05/2019	Ramy Awad, M.D.		(3,180)
Payment	03/05/2019	Aijaz Hashmi, M.D., Inc.		(2,688)
Payment	03/05/2019	Brad A. Wolfson, M.D.		(3,387)
Payment	03/05/2019	Cure Cardiovascular Consultants		(2,837)
TOTAL				(24,018)
Deposit	03/07/2019		Deposit	16,846
Payment	03/07/2019	Peter Jamieson, M.D.		(2,997)

Las Palmas Medical Plaza
Deposit Detail - LPMP
February through March 2019

Type	Date	Name	Memo	Amount
Payment	03/07/2019	Desert Family Medical Center		(3,493)
Payment	03/07/2019	EyeCare Services Partners Management LLC		(6,159)
Payment	03/07/2019	West Pacific Medical Laboratory		(1,947)
Payment	03/07/2019	Pathway Pharmaceuticals, Inc.		(2,249)
TOTAL				(16,846)
Deposit	03/18/2019		Deposit	2,738
Payment	03/18/2019	Dennis Spurgin, D.C.		(2,738)
TOTAL				(2,738)
Deposit	03/19/2019		Deposit	73
Payment	03/19/2019	Cohen Musch Thomas Medical Group		(73)
TOTAL				(73)
		Total Deposits		183,820

Desert Healthcare District
Check Register
February through March, 2019

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1010 - Union Bank - Checking				
Check	02/06/2019	Auto Pay	Calif. Public Employees'Retirement System	(11,711)
Liability Check	02/07/2019		QuickBooks Payroll Service	(32,251)
General Journal	02/08/2019	08-01	401a payment - 2/8/19 payroll	(1,429)
General Journal	02/08/2019	08-01	457b payment - 2/8/19 payroll	(2,312)
General Journal	02/12/2019	08-03	Feb 2019 LTD Payment - Jena Marie Van Earl	(1,234)
Bill Pmt -Check	02/12/2019	15306	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	02/12/2019	15307	Grantmakers In Health	(2,875)
Bill Pmt -Check	02/12/2019	15308	Law Offices of Scott & Jackson	(22,640)
Bill Pmt -Check	02/12/2019	15309	Rogers, Carole	(400)
Bill Pmt -Check	02/12/2019	15310	Safehouse of the Desert	(101,904)
Bill Pmt -Check	02/12/2019	15311	So.Cal Computer Shop	(730)
Bill Pmt -Check	02/12/2019	15312	Staples Credit Plan	(1,189)
Bill Pmt -Check	02/12/2019	15313	Total Compensation Systems, Inc.	(1,170)
Bill Pmt -Check	02/12/2019	15314	Underground Service Alert of Southern Cal	(5)
Bill Pmt -Check	02/12/2019	15315	Well in the Desert	(8,407)
Bill Pmt -Check	02/12/2019	15316	Xerox Financial Services	(394)
Bill Pmt -Check	02/12/2019	15317	Rauch Communication Consultants	(123)
Bill Pmt -Check	02/12/2019	15318	Regional Access Project Foundation	(30)
Bill Pmt -Check	02/19/2019	15319	Simpson, Gumpertz & Heger	(74,000)
Bill Pmt -Check	02/19/2019	15320	VMG Health	(5,700)
Bill Pmt -Check	02/19/2019	15321	The Desert Sun	(775)
Liability Check	02/21/2019		QuickBooks Payroll Service	(31,511)
Bill Pmt -Check	02/21/2019	15322	ACHD	(230)
Bill Pmt -Check	02/21/2019	15323	Leticia De Lara	(500)
Bill Pmt -Check	02/21/2019	15324	Vanessa Smith-	(586)
General Journal	02/22/2019	08-05	401a payment - 2/22/19 payroll	(1,398)
General Journal	02/22/2019	08-05	457b payment - 2/22/19 payroll	(2,288)
Check	02/25/2019		Service Charge	(294)
General Journal	02/28/2019	08-08	Record Medical Reimb - February 2019	(50)
Bill Pmt -Check	03/04/2019	15325	CoPower Employers' Benefits Alliance	(2,009)
Bill Pmt -Check	03/04/2019	15326	Donna Den Bleyker.	(209)
Bill Pmt -Check	03/04/2019	15327	Evet PerezGil	(300)
Bill Pmt -Check	03/04/2019	15328	Graphtek Interactive	(7,500)
Bill Pmt -Check	03/04/2019	15329	Mizell Senior Center	(90,068)
Bill Pmt -Check	03/04/2019	15330	Principal Life Insurance Co.	(2,522)
Bill Pmt -Check	03/04/2019	15331	Regional Access Project Foundation	(550)
Bill Pmt -Check	03/04/2019	15332	Shred-It	(90)

Desert Healthcare District
Check Register
February through March, 2019

Type	Date	Num	Name	Amount
Bill Pmt -Check	03/04/2019	15333	So.Cal Computer Shop	(730)
Bill Pmt -Check	03/04/2019	15334	Time Warner Cable	(240)
Bill Pmt -Check	03/04/2019	15335	Underground Service Alert of Southern Cal	(2)
Bill Pmt -Check	03/04/2019	15336	Chris Christensen	(157)
Bill Pmt -Check	03/04/2019	15337	Evet PerezGil	(100)
Check	03/06/2019	Auto Pay	Calif. Public Employees'Reirement System	(10,919)
Liability Check	03/07/2019		QuickBooks Payroll Service	(31,752)
Bill Pmt -Check	03/07/2019	15338	First Bankcard (Union Bank)	(3,173)
Bill Pmt -Check	03/07/2019	15339	Assistance League of Palm Springs Desert	(5,000)
Bill Pmt -Check	03/07/2019	15340	First Bankcard (Union Bank)	(1,198)
Bill Pmt -Check	03/07/2019	15341	Greater Coachella Valley Chamber of Com	(300)
Bill Pmt -Check	03/07/2019	15342	Image Source	(893)
Bill Pmt -Check	03/07/2019	15343	Jennifer Wortham	(638)
Bill Pmt -Check	03/07/2019	15344	Leticia De Lara	(100)
Bill Pmt -Check	03/07/2019	15345	Loma Linda University	(17,791)
Bill Pmt -Check	03/07/2019	15346	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	03/07/2019	15347	Regents - University of California	(266)
Bill Pmt -Check	03/07/2019	15348	State Compensation Insurance Fund	(1,287)
Bill Pmt -Check	03/07/2019	15349	Vanessa Smith-	(85)
Bill Pmt -Check	03/07/2019	15350	Verizon Wireless	(1,180)
Bill Pmt -Check	03/07/2019	15351	Xerox Financial Services	(394)
Bill Pmt -Check	03/07/2019	15352	Zendle, Les-	(518)
General Journal	03/08/2019	09-02	401a payment - 3/08/19 payroll	(1,418)
General Journal	03/08/2019	09-02	457b payment - 3/08/19 payroll	(2,303)
General Journal	03/14/2019	09-03	Mar 2019 LTD Payment - Jena Marie Van Earl	(1,234)
Bill Pmt -Check	03/14/2019	15353	Chris Christensen	(525)
Bill Pmt -Check	03/14/2019	15354	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	03/14/2019	15355	Law Offices of Scott & Jackson	(28,500)
Bill Pmt -Check	03/14/2019	15356	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	03/14/2019	15357	Rauch Communication Consultants	(3,246)
Bill Pmt -Check	03/14/2019	15358	Rogers, Carole	(853)
Bill Pmt -Check	03/14/2019	15359	Staples Credit Plan	(535)
Liability Check	03/21/2019		QuickBooks Payroll Service	(31,689)
Bill Pmt -Check	03/21/2019	15360	Alejandro Espinoza-	(760)
Bill Pmt -Check	03/21/2019	15361	CoPower Employers' Benefits Alliance	(2,281)
Bill Pmt -Check	03/21/2019	15362	Ernest Enterprises	(120)
Bill Pmt -Check	03/21/2019	15363	Principal Life Insurance Co.	(1,261)
Bill Pmt -Check	03/21/2019	15364	Rogers, Carole	(165)
Bill Pmt -Check	03/21/2019	15365	So.Cal Computer Shop	(315)

Desert Healthcare District
Check Register
February through March, 2019

Type	Date	Num	Name	Amount
General Journal	03/22/2019	09-04	401a payment - 3/22/19 payroll	(1,416)
General Journal	03/22/2019	09-04	457b payment - 3/22/19 payroll	(2,301)
Check	03/25/2019		Service Charge	(220)
Bill Pmt -Check	03/28/2019	15366	Dale Barnhart	(575)
Bill Pmt -Check	03/28/2019	15367	Regional Access Project Foundation	(550)
Bill Pmt -Check	03/28/2019	15368	Shred-It	(90)
Bill Pmt -Check	03/28/2019	15369	Vanessa Smith-	(217)
General Journal	03/31/2019	09-07	Record Medical Reimb - March 2019	(198)
TOTAL				(567,937)

Las Palmas Medical Plaza
Check Register
February through March, 2019

Type	Date	Num	Name	Amount
1000 · CHECKING CASH ACCOUNTS				
1046 · Las Palmas Medical Plaza				
Bill Pmt -Check	02/12/2019	9966	Amtech Elevator Services	(1,679)
Bill Pmt -Check	02/12/2019	9967	Desert Air Conditioning Inc.	(132)
Bill Pmt -Check	02/12/2019	9968	Imperial Security	(1,572)
Bill Pmt -Check	02/12/2019	9969	INPRO-EMS Construction	(5,135)
Bill Pmt -Check	02/12/2019	9970	Palm Springs Disposal Services Inc	(2,123)
Bill Pmt -Check	02/12/2019	9971	Southern California Edison	(676)
Bill Pmt -Check	02/12/2019	9972	Stericycle, Inc.	(1,417)
Bill Pmt -Check	02/19/2019	9973	Frazier Pest Control, Inc.	(180)
Bill Pmt -Check	02/19/2019	9974	Frontier Communications	(214)
Bill Pmt -Check	02/21/2019	9975	Imperial Security	(1,572)
Bill Pmt -Check	02/21/2019	9976	INPRO-EMS Construction	(10,117)
Check	02/28/2019		Service Charge	(913)
Bill Pmt -Check	03/04/2019	9977	Desert Air Conditioning Inc.	(2,398)
Bill Pmt -Check	03/04/2019	9978	Desert Water Agency	(186)
Bill Pmt -Check	03/04/2019	9979	Imperial Security	(3,144)
Bill Pmt -Check	03/06/2019	9980	INPRO-EMS Construction	(1,495)
Bill Pmt -Check	03/07/2019	9981	Palm Springs Disposal Services Inc	(2,123)
Bill Pmt -Check	03/14/2019	9982	Frontier Communications	(220)
Bill Pmt -Check	03/14/2019	9983	Imperial Security	(1,572)
Bill Pmt -Check	03/14/2019	9984	Southern California Edison	(720)
Bill Pmt -Check	03/14/2019	9985	Stericycle, Inc.	(1,423)
Bill Pmt -Check	03/14/2019	9986	The Desert Sun	(930)
Bill Pmt -Check	03/21/2019	9987	Best Signs, Inc.	(116)
Bill Pmt -Check	03/21/2019	9988	Frazier Pest Control, Inc.	(180)
Bill Pmt -Check	03/28/2019	9989	Amtech Elevator Services	(1,322)
Bill Pmt -Check	03/28/2019	9990	Imperial Security	(3,145)
Bill Pmt -Check	03/28/2019	9991	INPRO-EMS Construction	(10,716)
Bill Pmt -Check	03/28/2019	9992	Jon Christensen Riverside Co. Treasurer - Property Taxes	(34,915)
Check	03/31/2019		Service Charge	(1,369)
TOTAL				(91,705)



MEMORANDUM

DATE: April 9, 2019

TO: F&A Committee

RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

Active – still employed by hospital	118
Vested – no longer employed by hospital	60
Former employees receiving annuity	<u>8</u>
Total	<u>186</u>

The outstanding liability for the RPP is approximately **\$4.3M** (Actives - \$3.0M and Vested - \$1.3M). US Bank investment account balance \$4.9M. Per the June 30, 2018 Actuarial Valuation, the RPP has an Unfunded Pension Liability of approximately **\$3.3M**. A monthly accrual of \$10K is being recorded each month as an estimate for FY2019.

The payouts, excluding monthly annuity payments, made from the Plan for the Nine (9) months ended March 31, 2019 totaled **\$374K**. Monthly annuity payments (8 participants) total **\$1.03K** per month.

DESERT HEALTHCARE DISTRICT						
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE						
As of 3/31/19						
TWELVE MONTHS ENDED JUNE 30, 2019						
Grant ID Nos.	Name	Approved Grants - Prior Yrs	Current Yr 2018-2019	6/30/2018 Bal Fwd/New	Total Paid July-June	Open BALANCE
2013-759-BOD-02/26/13	Desert Hot Springs Wellness FDN - Oversampling - HARC -3yr	\$ 30,000		\$ 15,000	\$ -	\$ 15,000
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000		\$ 10,000,000	\$ -	\$ 10,000,000
2015-866-BOD-4-28-15	The LGBT Center of PS - Desert Low-Cost Counseling Clinic - 3 yr	\$ 140,000		\$ 32,000	\$ 18,000	\$ 14,000
2015-875-BOD-6-23-15	Desert AIDS Project - Sexually Transmitted Infection Clinic - 3 Yr	\$ 800,000		\$ 17,500	\$ 17,500	\$ -
2015-876-BOD-6-23-15	Arrowhead Neuroscience Fndtn-NeuroInterventional & NeuroCritical Care Fellowship 2 Yr	\$ 373,540		\$ 121,401	\$ 84,047	\$ 37,354
2016-886-BOD-9-22-15	B&G Club of Cathedral City - Main Club House Capital Improvements - 1 Yr	\$ 150,000		\$ 15,000	\$ (1,955)	\$ 16,955
	Unexpended funds of Grant #886 (\$15,000 10% Retention)				\$ -	\$ (15,000)
	Unexpended funds of Grant #886 (\$1,955 unused returned)				\$ -	\$ (1,955)
2016-887-BOD-9-22-15	CVEP - Mental Health College & Career Pathways Development Initiative - 2 Yr-ext 9/18	\$ 737,900		\$ 73,790	\$ 73,790	\$ -
2016-889-BOD-10-27-15	HARC - 2016 Community Health Monitor - 3 Yr	\$ 499,955		\$ 49,996	\$ 49,996	\$ -
2016-891-BOD-11-17-15	Jewish Family Services of the Desert - Mental Health Outpatient Treatment - 3 Yr	\$ 570,000		\$ 131,089	\$ 58,500	\$ 72,589
	Unexpended funds from Year 1 of Grant #891			\$ (75,792)		\$ (75,792)
2016-908-BOD-06-28-16	Angel View Support for the Outreach Stabilization Program - 2 Yr	\$ 144,600		\$ 14,460	\$ 12,411	\$ 2,049
	Unexpended funds of Grant #908			\$ (2,049)		\$ (2,049)
2016-920-BOD-10-25-16	LifeStream Blood Bank - Support Protate Cancer Treatment Program	\$ 60,000		\$ 6,000	\$ 6,000	\$ -
2016-927-BOD-12-20-16	SafeHouse of the Desert - "What's Up" Crisis Texting Application - 3 Yr	\$ 679,357		\$ 373,646	\$ 203,807	\$ 169,839
2017-929-BOD-05-23-17	Gilda's Club Desert Cities: HeLP - Healthy Living Program - 1 Yr	\$ 142,000		\$ 14,200	\$ 14,200	\$ -
2017-934-BOD-07-25-17	Well in the Desert - New Vans for Client Pickup & Deliveries	\$ 84,798		\$ 8,480	\$ 8,407	\$ 72
	Unexpended funds of Grant #934				\$ -	\$ (72)
2017-936-BOD-07-25-17	Hidden Harvest - Senior Markets & Healthy Fairs	\$ 95,000		\$ 9,500	\$ 9,500	\$ -
2017-938-BOD-07-25-17	Mizell Senior Center - A Matter of Balance Phase 2 - 2 Yr	\$ 400,300		\$ 220,165	\$ 180,135	\$ 40,030
2017-939-BOD-07-25-17	Loma Linda University - Dream Homes Initiative - 16 months	\$ 178,016		\$ 57,855	\$ 57,844	\$ 11
	Unexpended funds of Grant #939 (\$10.86 unused returned)				\$ 11	\$ (11)
2017-947-BOD-09-26-17	Coachella Valley Volunteers in Medicine - Primary Healthcare & Support Services - 1 Yr	\$ 121,500		\$ 12,150	\$ (4,590)	\$ 16,740
	Unexpended funds of Grant #947 (\$12,150 10% Retention)					\$ (12,150)
	Unexpended funds of Grant #947 (\$4,590 unused returned)					\$ (4,590)
2017-948-BOD-09-26-17	Pegasus Hippo Therapy - Equine Therapy for District Residents - 1 Yr	\$ 93,829		\$ 9,383	\$ 5,855	\$ 3,528
	Unexpended funds of Grant #948			\$ (3,528)		\$ (3,528)
2017-953-BOD-11-28-17	FIND Food Bank - Project Produce - 1 Yr	\$ 387,068		\$ 212,887	\$ 212,887	\$ -
2017-954-BOD-11-28-17	CVRM - Emergency Food, Shelter with Wrap Around Services for West CV Homeless 1Yr	\$ 100,000		\$ 55,000	\$ 55,000	\$ -
2017-955-BOD-11-28-17	Martha's Village & Kitchen - Health in Housing: Emergency Housing With Wrap Around 1Yr	\$ 186,150		\$ 102,383	\$ 102,383	\$ -
2018-960-BOD-02-27-18	Desert Cancer Foundation - Patient Assistance and Suzanne Jackson Breast Cancer	\$ 200,000		\$ 110,000	\$ 90,000	\$ 20,000
2018-962-BOD-03-27-18	EMC - CV Collaborative Program-Antibiotic Resistance Prevention Partnership(3yr w/ 1st yr fu	\$ 55,805		\$ 30,693	\$ 25,112	\$ 5,581
2018-967-BOD-05-22-18	The City of DHS-Public Safety Emergency Response Program - Purchase AEDs	\$ 30,000		\$ 30,000	\$ 27,000	\$ 3,000
2018-968-BOD-05-22-18	One Future Coachella Valley - Health Career Connection Summer Intern at DHCD/F	\$ 7,314		\$ 7,314	\$ 7,314	\$ -
2018-974-BOD-09-25-18	HARC - 2019 Coachella Valley Community Health Survey - 2 Yr		\$ 399,979	\$ 399,979	\$ 89,995	\$ 309,984
2018-980-BOD-10-23-18	Joslyn Wellness Senior Behavioral Health Services Program - 1 Yr		\$ 112,050	\$ 112,050	\$ 50,423	\$ 61,628
2018-981-BOD-10-23-18	Desert Arc Healthcare Program - 1 Yr		\$ 164,738	\$ 164,738	\$ 74,132	\$ 90,606
2018-976-BOD-10-23-18	Ready Set Swim - Desert Healthcare Foundation - 1 Yr		\$ 136,000	\$ 136,000	\$ 136,000	\$ -
2018-979-BOD-11-27-18	FIND Food Bank - Healthy Food First/Pathways Out of Hunger - 1 Yr		\$ 396,345	\$ 396,345	\$ 89,178	\$ 307,167
2019-985-BOD-03-26-19	Coachella Valley Volunteers in Medicine - Primary Healthcare & Support Services - 1 Yr		\$ 121,500	\$ 121,500	\$ -	\$ 121,500
				\$ -	\$ -	\$ -
TOTAL GRANTS		\$ 16,267,132	\$ 1,330,612	\$ 12,979,134	\$ 1,752,881	\$ 11,192,485
Amts available/remaining for Grant/Programs - FY 2018-19:						
Amount budgeted 2018-2019			\$ 3,500,000		G/L Balance:	3/31/2019
Amount granted through June 30, 2019:			\$ (1,330,612)		2131	\$ 1,044,839
Mini Grants:	972; 973; 975; 983; 987		\$ (19,000)		2281	\$ 10,147,646
Net adj - Grants not used:	908; 947; 948; 886; 934		\$ 39,355		Total	\$ 11,192,485
Balance available for Grants/Programs			\$ 2,189,743		Difference - Rdg	\$ (0)



Date: April 9, 2019
To: Finance & Administration Committee
Subject: Las Palmas Medical Plaza Marketing Proposal and Lease Listing Agreement with Coldwell Banker Commercial

Staff Recommendation: Consideration to approve a Lease Listing Agreement the services of Coldwell Banker Commercial to market and advertise the vacant suites at the Las Palmas Medical Plaza

Background:

- The Las Palmas Medical Plaza currently has three vacant suites with square footage equaling 6.3% of the total property
- Robert Wenthold, the Vice President of CBC Lyle & Associates, has extensive experience in commercial real estate in Palm Springs and has worked with Desert Healthcare District in the past in bringing the Las Palmas Medical Plaza to full occupancy
- Staff recommends engaging the services of Robert Wenthold at Coldwell Banker Commercial to market and advertise the vacant suites at the Las Palmas Medical Plaza
- Included in the packet is a Proposal and Lease Listing Agreement for Coldwell Banker Commercial for your review and consideration

Fiscal Impact:

6% Commission on gross base rent for lease duration, due upon execution of lease

Example: A 1,024 square foot suite is leased for five years for \$1.50/square foot (excluding CAMs) with a 3% base rent increase every year. Commission due would be approximately \$6,000

The FY18-19 Annual Budget includes LPMP Marketing budget of \$17,500

Coachella Valley



California



MARKETING PROPOSAL FOR LAS PALMAS MEDICAL PLAZA 555 E. TACHEVAH DRIVE PALM SPRINGS, CALIFORNIA



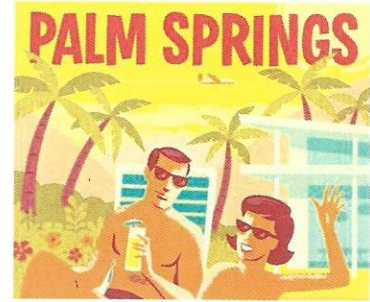
PRESENTED BY
ROB WENTHOLD

78-000 Fred Waring Drive, Suite 200 • Palm Desert, CA 92211
Tel: 760.772.6400, Ext. 223 • Cell: 760.641.7602 • Fax: 760.772.6499 • rwenthold@dc.rr.com

OVERVIEW

Coldwell Banker Commercial Lyle & Associates respectfully presents this proposal to Market and Lease Las Palmas Medical Plaza, located at 555 E. Tachevah Drive, Palm Springs, California.

The Property consists of six (6) Medical Office Buildings on two (2) levels in the "Heart" of Palm Springs, adjacent to Desert Regional Medical Center.



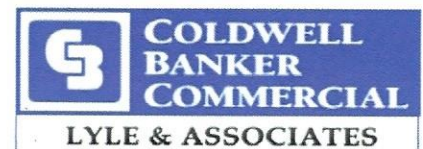
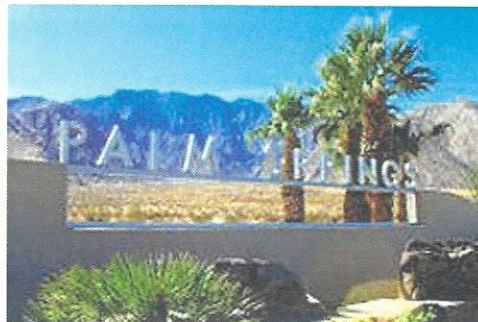
MARKETPLACE ANALYSIS

During the past twelve (12) months, Coldwell Banker Commercial Lyle & Associates has brokered numerous transactions in the City of Palm Springs. We have THE highest velocity in the marketplace.

Current and future activity suggests that there is significant competition; however, the property has an excellent location. Therefore, we would have a definite competitive advantage.

Our analysis of the market place and our very preliminary analysis of the 555 E. Tachevah Drive property indicates that in order to be competitive with the existing supply currently available, the Lease listing price should range from \$1.50 to \$2.00 NNN per sq. ft. per month, depending upon the location within the Property and the specific interior improvements/build-outs required.

(This projection will be refined in the initial phase of the assignment.)



EFFECTIVE MARKETING STRATEGY

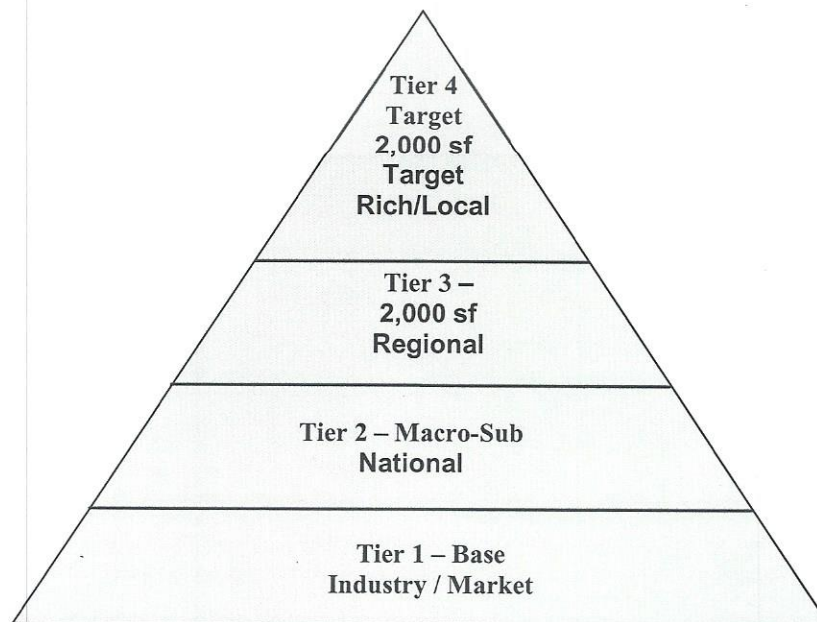
Key 1 – The Prospecting Pyramid Approach to Marketing and Leasing

The key to a successful leasing program is the implementation of an effective marketing and leasing strategy. An effective marketing and leasing strategy requires the commitment of marketing resources in a manner that will achieve the goal of leasing the commercial space at the site in a reasonable time period, i.e. three to six months. To create an effective leasing and sales strategy, Coldwell Banker Commercial Lyle & Associates uses the Prospecting Pyramid approach to marketing and leasing in order to generate the right type of prospect leads in the shortest time possible.

The Prospecting Pyramid approach involves a careful analysis of likely tenants and an allocation of resources designed to produce the quickest results. The essence of the Prospecting Pyramid is a process of ranking prospective types of tenants into four categories and committing the key marketing resources where they are likely to produce the best results, yet at the same time committing some marketing resources to the entire universe of potential tenants to insure that the full universe of potential tenants has an opportunity to be aware of the available units.

The prospecting pyramid is simplified for assuming an immediate vacancy of 2,000 square feet, but the key components and thought process still apply.

BUSINESS DEVELOPMENT STRATEGY – The Prospecting Pyramid



The four levels of the pyramid consist of four rankings of the types of tenants that would be most interested in leasing space. Examples of the rankings and the type of marketing tools Coldwell Banker Commercial Lyle & Associates will use are as follows:

- **Highest Priority – Tier 4**

- Local Retail and Office users in the Coachella Valley who we know are looking for this kind of space and location.
- Retail and Office users in a 1-3 mile radius of the property.

Marketing Tools for Tier 4 Priority

- Utilize database of known tenants, i.e. users located in the Coachella Valley.
- Direct mail to 1 -3 mile radius, tenants in the Coachella Valley.
- Presentations to commercial brokerage offices active in the Coachella Valley, DACIE.
- Broadcast email to commercial brokerage networks such as CCIM.net, Coldwell Banker Commercial network, LoopNet.com, etc.
- Schedule appointments to meet with as many suspect/prospects as possible.

- **Top Priority – Tier 3 (simultaneously)**

- Regional / Southern California companies looking for Retail and Office sites in the Coachella Valley.
- Direct mail postcards to 5 mile radius.

Marketing Tools for Tier 3 Priority

- Utilize database of these Retail and Office users.
- Canvas by phone list of "B" priority prospects and send full brochure to all interested prospects.
- Series of broadcast email to commercial brokerage networks such as CCIM.net, Coldwell Banker Commercial network, LoopNet.com, etc.

- **Medium Priority – Tier 2**

- National users looking for Retail and Office space in Coachella Valley.

Marketing Tools for Tier 2 Priority

- Develop/Utilize database of Retail and Office tenants outside the Coachella Valley.
- Direct mail to all Retail and Office tenants outside the Coachella Valley.
- Series of broadcast email to commercial brokerage networks such as CCIM.net, Coldwell Banker Commercial network, LoopNet.com, etc.

- **Lower Priority – Tier 1**

- All Retail and Office users throughout the Coachella Valley.



- All other known/unknown Retail and Office users outside the Coachella Valley.

Marketing Tools for Tier 1 Priority

- Series of broadcast email to commercial brokerage networks such as CCIM.net, Coldwell Banker Commercial network, LoopNet.com, etc.

Key 2 – Marketing Systems

In order to stimulate the activity and produce results, Coldwell Banker Commercial Lyle & Associates would suggest and use the following marketing systems:

- Basic Advertising – signage, marketing brochures, flyers, etc. Owing to the Property's extraordinary location adjacent to Desert Regional Medical Center.
- Automated Marketing Systems
- Internet Marketing Systems
- Broadcast Email
- Direct Mail
- Commercial Brokerage Network – CCIMs & regional brokers, ICSC, etc.
- Cold Calling

COLDWELL BANKER COMMERCIAL LYLE & ASSOCIATES

History of Lyle Commercial and Coldwell Banker Commercial Lyle & Associates

For over 20 years, the name Lyle Commercial has been synonymous with excellence in commercial real estate services. By concentrating on Southern California and, in particular, the Palm Springs Desert Resorts Communities, Lyle Commercial developed a reputation for providing the best brokerage, management and investment services to those clients whose principal interests lie in the region. Very simply, Lyle Commercial mastered its marketplace!

With offices in Palm Springs and Palm Desert, the company positioned itself to help clients take advantage of the changing opportunities inherent in the Palm Springs Desert Resort Communities and Southern California as a whole. Proven professionals in each service line provide skills equally valuable to tenants, developers, owners and investors. Lyle Commercial has become one of the largest and most active commercial sales and leasing offices in the entire Coachella Valley. All agents are



experienced in the sale and leasing of commercial, retail and office space, as well as the sale of income and investment properties and commercial land. Our proven marketing program is executed through team effort and the target market approach.

Coldwell Banker Commercial

Lyle Commercial became affiliated with Coldwell Banker Commercial to form **Coldwell Banker Commercial Lyle & Associates**. Coldwell Banker Commercial is one of the largest and most recognized names in commercial real estate. The new company will give you, as a client of Coldwell Banker Commercial Lyle & Associates, greater access to a wide range of resources within the Coachella Valley as well as nationally and internationally.

Our marketing systems at Coldwell Banker Commercial Lyle & Associates are specifically designed to generate the required amount of activity and interest to accomplish the results you are seeking. These marketing systems include:

- **Global Organization** – Coldwell Banker Commercial is the nation's oldest and most recognized commercial real estate firm with over 325 offices worldwide from North America to Europe, Asia and the Middle East. Through our affiliated offices we can reach just about any company or organization around the globe on our client's behalf.
- **Over 3,200 Specialists** – The Coldwell Banker Commercial organization has over 3,200 commercial specialists who are networked together. Our offices in the Coachella Valley can use this vast network of specialists to seek assistance on any commercial real estate assignment.
- **Automated Marketing System** – On behalf of our clients, we utilize an Automated Marketing System that allows prospective buyers the ability to access detailed information through an 800 telephone system or our website and receive faxes and emails with property information 24 hours a day, 7 days a week. This system is one of the most advanced programs used in marketing today.
- **National and International Advertising in Wall Street Journal** – Coldwell Banker Commercial sponsors an advertising program in national and international issues of the Wall Street Journal. Our clients can have access to this program to market properties for sale or lease. The Wall Street Journal is read by the decision makers who impact decisions in the Coachella Valley, whether they reside locally, nationally or internationally.
- **Regional Advertising** – In addition to our national and international advertising programs, we also have access to advertising programs in regional publications on a similar basis.



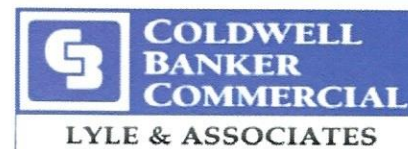
- **Internet Marketing Programs** – To market properties for sale, we use several Internet Marketing Systems. Besides our own site, www.cbclyle.net, we use the main Coldwell Banker Commercial site, www.coldwellbankercommercial.com, as well as other commercial marketing sites such as loopnet.com, retailspace.com, cityfeet.com, propertyline.com, ccim.net, and commercialsource.com. We also use extensive email marketing systems to reach commercial brokers and prospective buyers not only in the Coachella Valley, but also around the county.
- **Marketing Expertise** – As part of our service to our clients, we have both in-house and outside professional graphic designers to help design state-of-the-art marketing materials and packages.
- **Commercial Broker Network** – Through our various professional organizations such as the Commercial-Investment Real Estate Council, the Real Estate Cyberspace Society and others, we have access to networks of commercial real estate specialists outside the Coldwell Banker Commercial organization. We operate on an open marketing basis and promote cooperation with brokers outside the Coldwell Banker Commercial System.
- **Market Research** – Through Coldwell Banker Commercial and the REISS Market Research Group, our clients and prospective buyers have access to some of the best market research information available in the world. In addition, we can produce whatever demographic reports a prospective buyer may require.

The marketing systems outlined above are designed to generate the large number of leads and contacts necessary to achieve the objectives needed to sell your premise.

MARKETING TEAM LEADER

Rob Wenthold **Vice President**

Rob has over twenty-five (25) years experience in accounting, leasing, managing, marketing, purchasing and selling commercial real estate throughout the United States. Rob has held a variety of notable positions, from Controller to Property Manager to Asset Manager and Director of Leasing for a number of well-known ownerships and well-respected firms in Southern California. His diverse and



thorough background has created a wealth of knowledge on commercial properties. Rob has lived and worked in the Coachella Valley for over sixteen (16) years, and has an extensive contact base of local businesses, City staff, elected officials, investors and merchants.

Partial List of Rob's Sales and Leasing Projects

Shops on Palm Canyon/Andaz Hotel Project (Palm Springs, CA)

The Five Hundred (Palm Springs, CA)

Smoke Tree Village Shopping Center (Palm Springs, CA)

Smoke Tree Commons Shopping Center (Palm Springs, CA)

Sunrise Center (Palm Springs, CA)

Sun Center (Palm Springs, CA)

Liebling Trust Building (Palm Springs, CA)

Oasis Plaza (Palm Springs, CA)

Palm Springs Design Center (Palm Springs, CA)

431-477 S. Palm Canyon Drive (Palm Springs, CA)

462-490 S. Palm Canyon Drive (Palm Springs, CA)

270-296 N. Palm Canyon Drive (Palm Springs, CA)

849 N. Palm Canyon Drive (Palm Springs, CA)

El Paseo Collection Elegante (Palm Desert, CA)

El Paseo Park Plaza (Palm Desert, CA)

Grapevine Plaza on El Paseo (Palm Desert, CA)

TownGate Center/Crossing/Plaza/Promenade/Square (Moreno Valley, CA)

Silver Spur Shopping Center (Rolling Hills Estates, CA)

Spring Oaks Shopping Center (Las Vegas, NV)

Ocotillo Plaza (Las Vegas, NV)

Manchester Center (Fresno, CA)



PROPOSED MARKETING TERMS AND CONDITIONS

Coldwell Banker Commercial Lyle & Associates would be pleased to represent **Las Palmas Medical Plaza located at 555 E. Tachevah Drive, Palm Springs, CA** on the following terms:

Length of Listing: The length of the listing agreement shall be for six (6) months from the date of signing.

Broker's Commission for Leasing Activities: For services rendered in connection with leasing activity, Coldwell Banker Commercial Lyle & Associates shall receive:

- Commission – A sum equal to six percent (6%) of the Gross Base Rents collected during the Initial Term (assuming 5 years or less Lease).

If a cooperating broker is involved in any sale transaction, the commission will be split equally with that cooperating broker.

I am pleased and appreciative to have the opportunity to present you with a Proposal. I am excited about your property and the opportunity to work with you. I look forward to building a strong partnership with you, and servicing your real estate needs in the Coachella Valley.

Respectfully,

Rob Wenthold

Rob Wenthold
Vice President
Cell (760) 641-7602





**EXCLUSIVE RIGHT TO REPRESENT OWNER
FOR SALE OR LEASE OF REAL PROPERTY**
(Non-Residential)

1. BASIC PROVISIONS ("BASIC PROVISIONS").

1.1 **Parties:** This agency Agreement ("**Agreement**"), dated for reference purposes only April 4, 2019, is made by and between Desert Healthcare District, whose address is 1140 N. Indian Canyon Drive, Palm Springs, CA 92262, telephone number (760) 323-6113, Fax No. _____ ("**Owner**"), and Coldwell Banker Commercial Lyle & Associates, whose address is 78000 Fred Waring Drive, #200, Palm Desert, CA 92211, telephone number (760) 772-6400, Fax No. (760) 772-6499, ("**Agent**").

1.2 **Property/Premises:** The real property, or a portion thereof, which is the subject of this Agreement is commonly known as (street address, city, state, zip) 555 E. Tachevah Drive, Palm Springs, CA 92262, located in the County of Riverside, and generally described as (describe briefly the nature of the property): a Multi Building, Multi-Tenant commercial property consisting of six (6) two-story buildings, totaling approximately 60,000 SF ("**Property**"). (See also Paragraph 3).

1.3 **Term of Agreement:** The term of this Agreement shall commence on May 1, 2019 and expire at 5:00 p.m. on October 31, 2019, except as it may be extended ("**Term**"). (See also paragraph 4)

1.4 **Transaction:** The nature of the transaction concerning the Property for which Agent is employed ("**Transaction**") is (check the appropriate box(es)):

(a) ☐ A sale for the following sale price and terms: _____ and other additional standard terms reasonably similar to those contained in the "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR THE PURCHASE OF REAL ESTATE" published BY AIR CRE ("**AIR**"), or for such other price and terms agreeable to Owner;

(b) ☒ A lease or other tenancy for the following rent and terms: Any available spaces to be leased according to all terms and conditions acceptable to Owner and other additional standard terms reasonably similar to those contained in the appropriate AIR lease form or for such other rent and terms agreeable to Owner.

2. EXCLUSIVE EMPLOYMENT AND RIGHTS.

2.1 Owner hereby employs Agent as Owner's sole and exclusive agent to represent Owner in the Transaction and to find buyers or lessees/tenants ("**lessees**"), as the case may be, for the Property. Agent shall use reasonably diligent efforts to find such buyers or lessees. All negotiations and discussions for a Transaction shall be conducted by Agent on behalf of Owner. Owner shall promptly disclose and refer to Agent all written or oral inquiries or contacts received by Owner from any source regarding a possible Transaction.

2.2 Owner authorizes Agent to:

(a) Place advertising signs on the Property;
(b) Place a lock box on the Property if vacant;
(c) Accept deposits from potential buyers or lessees, and
(d) Distribute information regarding the Property to participants in THE MULTIPLE ("**MULTIPLE**") of the AIR and/or any other appropriate local commercial multiple listing service, to other brokers, and to potential buyers or lessees of the Property. Owner shall identify as "confidential" any information provided to Agent that Owner considers confidential and does not want disclosed. All other information provided by Owner may be disclosed as Agent may deem appropriate or necessary. After consummation of a Transaction, Agent may publicize the terms of such Transaction.

2.3 Agent shall comply with the Rules of Professional Conduct of the AIR, if a member or if not, the Rules of Professional Conduct of the Society of Industrial and Office Realtors, and shall submit the Property to the MULTIPLE. Agent shall cooperate with participants in the MULTIPLE and may, at Agent's election, cooperate with other real estate brokers (collectively "**Cooperating Broker**").

2.4 If the Transaction is a sale and Agent finds a prospective buyer for the Property, or if If the Transaction is a lease and Agent finds a prospective lessee for the Property, Owner hereby authorizes Agent also to represent and act as the agent for such buyer or lessee, and Owner consents to such dual agency. If a Cooperating Broker finds such a buyer or lessee, then Agent shall act as agent for Owner only, the Cooperating Broker shall act as agent for the buyer or lessee only, and the Cooperating Broker shall not be Owner's agent, even though the Cooperating Broker may share in the commission paid by Owner to Agent. A Cooperating Broker shall not be an agent or subagent of Owner or Agent.

2.5 Owner agrees that Agent may, during the ordinary and normal course of marketing the Property, respond to inquiries on the Property by showing and providing information on the Property, as well as on other competing properties, to prospective buyers and lessees and that such activities may result in the payment of a commission to Agent by a third party. Owner understands that Agent may also represent other lessors/sellers with competing properties.

3. PROPERTY.

3.1 The term "Property" shall include all of the following which are currently located on the Property and owned by Owner: permanent improvements, electrical distribution systems (power panels, buss ducting, conduits, disconnects, lighting fixtures, etc.), telephone distribution systems (lines, jacks and connections), space heaters, air conditioning equipment, air lines, carpets, window coverings, wall coverings, partitions, doors, suspended ceilings, built-ins such as cabinets, and None (if there are no additional items write "NONE"). If the Transaction is a sale, the term "Property" shall additionally include, to the extent owned by Owner, oil and mineral rights, leases and other agreements which will continue in effect after Owner's transfer of title to the Property.

3.2 Within five business days after the commencement of the Term hereof, Owner shall provide Agent with the following:

- (a) A duly completed and fully executed Property Information Sheet on the most current form published by the AIR;
(b) Copies of all leases, subleases, rental agreements, option rights, rights of first refusal, rights of first offer, or other

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documents containing any other limitations on Owner's right, ability and capacity to consummate a Transaction, and

(c) If available to Owner, copies of building plans, and if the Transaction is a sale, title reports, boundary surveys, and existing notes and trust deeds which will continue to affect the Property after consummation of a sale.

3.3 Agent shall have no responsibility for maintenance, repair, replacement, operation, or security of the Property, all of which shall be Owner's sole responsibility. Unless caused by Agent's gross negligence, Agent shall not be liable for any loss, damage, or injury to the person or property of Owner, any lessees of the Property, any buyer, prospective buyer, lessee, or prospective lessee, including, but not limited to, those which may occur as a result of Agent's use of a lock box.

4. **EXTENSION OF TERM.** If the Transaction is a sale, and a sale is not consummated for any reason after Owner accepts an offer to purchase the Property ("**Sale Agreement**"), then the expiration date of the Term of this Agreement shall be extended by the number of days that elapsed between the date Owner entered into the Sale Agreement and the later of the date on which the Sale Agreement is terminated or the date Owner is able to convey title to a new buyer free and clear of any claims by the prior buyer of the Property; provided, however, in no event shall the Term be so extended beyond one year from the date the Term would have otherwise expired.

Unless specifically terminated on the termination date identified herein, this agreement shall continue in full force and effect on a month-to-month basis from and after the termination date until terminated on thirty (30) days written notice by either party.

5. COMMISSION.

5.1 Owner shall pay Agent a commission ☐ in the amount of _____ ☒ in accordance with the commission schedule attached hereto ("**Agreed Commission**"), for a Transaction, whether such Transaction is consummated as a result of the efforts of Agent, Owner, or some other person or entity. Agent shall also be entitled to the Agreed Commission if any of the Owner's representations and warranties described in paragraph 8 are shown to be false. Such Agreed Commission is payable:

(a) If the Transaction is a sale, (i) the Property is sold; (ii) Owner breaches or repudiates any Sale Agreement, escrow instructions or other documents executed by Owner regarding the sale of the Property; (iii) the Property or any interest therein is voluntarily or involuntarily sold, conveyed, contributed or transferred; (iv) the Property or any interest therein is taken under the power of Eminent Domain or sold under threat of condemnation, or (v) if Owner is a partnership, joint venture, limited liability company, corporation, trust or other entity, and any interest in Owner is voluntarily or involuntarily sold, contributed, conveyed or transferred to another person or entity that, as of the date hereof, does not have any ownership interest in Owner;

(b) If the Transaction is a lease and a lease of the Property, or a portion thereof is executed; or

(c) If Owner (i) removes or withdraws the Property from a Transaction or the market; (ii) acts as if the Property is not available for a Transaction; (iii) treats the Property as not available for a Transaction; (iv) breaches, terminates, cancels or repudiates this Agreement; (v) renders the Property unmarketable; or (vi) changes the status of the Property's title, leases, agreements, physical condition or other aspects thereof, which such change adversely impacts the value, use, desirability or marketability of the Property.

(d) If earnest money or similar deposits made by a prospective purchaser or tenant are forfeited Agent shall be entitled to one-half (1/2) thereof, but not to exceed the total amount of the commission that would have been payable had the sale or lease transaction been consummated.

5.2 If the Transaction is a sale, the purchase agreement and/or escrow instructions to be entered into by and between Owner and a buyer of the Property shall provide that:

(a) Owner irrevocably instructs the escrow holder to pay from Owner's proceeds accruing to the account of Owner at the close of escrow the Agreed Commission to Agent;

(b) A contingency to the consummation of the sale shall be the payment of the Agreed Commission to Agent at or prior to close of the escrow; and

(c) No change shall be made by Owner or buyer with respect to the time of, amount of, or the conditions to payment of the Agreed Commission, without Agent's written consent.

6. **ALTERNATIVE TRANSACTION.** If the Transaction changes to any other transaction, including, but not limited to, a sale, exchange, option to buy, right of first refusal, ground lease, lease, sublease or assignment of lease (collectively "**Alternative Transaction**"), then Agent shall automatically be Owner's sole and exclusive Agent for such Alternative Transaction and represent Owner in such Alternative Transaction, under the terms and conditions of this Agreement. If, during the Term hereof, an Alternative Transaction is entered into, then Owner shall pay Agent the Agreed Commission.

7. EXCLUDED AND REGISTERED PERSONS.

7.1 Owner shall, within 5 business days after the date hereof, provide Agent, in writing, with the names of those persons or entities registered with Owner by any other broker under any prior agreement concerning the Property ("**Excluded Persons**", see paragraph 7.5). Owner shall also specify for each Excluded Person the type of transaction the consummation of which during the Term of this Agreement entitles such other broker to any compensation ("**Excluded Transaction**"). Agent may within 10 days of receiving such written list, either (a) accept the Excluded Persons and Excluded Transactions, (b) cancel this Agreement, or (c) attempt to renegotiate this portion of the Agreement with Owner. Once accepted by Agent, the written list shall automatically become an exhibit to this Agreement. If Owner timely provides Agent with the names of the Excluded Persons and specifies the Excluded Transaction for each Excluded Person, then the Agreed Commission paid to Agent with respect to consummation of such an Excluded Transaction with an Excluded Person shall be limited as follows: if such Excluded Transaction is concluded within the first 30 days of the commencement of the Term hereof, then Agent shall be paid a commission equal to the reasonable out-of-pocket expenses incurred by Agent in the marketing of the Property during said 30 days; or if such Excluded Transaction is concluded during the remainder of the Term hereof, then Agent shall be entitled to a commission equal to one-half of the Agreed Commission. If the specified information concerning Excluded Persons and Transactions is not provided as set forth herein, then it shall be conclusively deemed that there are no Excluded Persons.

7.2 Agent shall, within 5 business days after the expiration of the Term hereof, provide Owner, in writing, with the name of those persons or entities with whom Agent either directly or through another broker had negotiated during the Term hereof ("**Registered Persons**", see paragraph 7.5), and specify the type of transaction of the Property for which such negotiations were conducted ("**Registered Transaction**"). Those persons or entities who submitted written offers or letters of intent shall, however, automatically be deemed to be Registered Persons for the type of transaction which was the subject of such offer or letter of intent. If Agent fails to timely notify Owner of the existence of any other Registered Persons, then it shall be conclusively deemed that there

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are no other Registered Persons. A person or entity shall not be a Registered Person if Agent fails to timely specify a Registered Transaction for such person or entity. The parties are aware that the registration of certain individuals and/or entities might create a Dual Agency, and Owner hereby consents to any such Dual Agency.

7.3 If, within 180 days after the expiration of the Term hereof, Owner enters into a contract with a Registered Person for consummation of a Registered Transaction, then Owner shall, upon consummation of such Registered Transaction, pay Agent the Agreed Commission for the Registered Transaction.

7.4 If, within 180 days after the expiration of the Term hereof, Owner enters into another owner-agency or listing agreement with a broker other than Agent for any transaction concerning the Property, then Owner shall provide to Owner's new broker the names of the Registered Persons and the Registered Transaction for each Registered Person, and provide in such new agreement that the new broker shall not be entitled to receive any of the compensation payable to Agent hereunder for consummation of a Registered Transaction with a Registered Person.

7.5 In order to qualify to be an Excluded Person or a Registered Person the individual or entity must have: toured the Property, submitted a letter of interest or intent, and/or made an offer to buy or lease the Property. In addition, Excluded Persons may only be registered by a broker who previously had a valid listing agreement covering the Property, and such broker may only register individuals and entities actually procured by such listing broker.

8. OWNER'S REPRESENTATIONS.

Owner represents and warrants that:

- (a) Each person executing this Agreement on behalf of Owner has the full right, power and authority to execute this Agreement as or on behalf of Owner;
- (b) Owner owns the Property and/or has the full right, power and authority to execute this Agreement and to consummate a Transaction as provided herein, and to perform Owner's obligations hereunder;
- (c) Neither Owner nor the Property is the subject of a bankruptcy, insolvency, probate or conservatorship proceeding;
- (d) Owner has no notice or knowledge that any lessee or sublessee of the Property, if any, is the subject of a bankruptcy or insolvency proceeding;
- (e) There are no effective, valid or enforceable option rights, rights of first refusal, rights of first offer or any other restrictions, impediments or limitations on Owner's right, ability and capacity to consummate a Transaction, except as disclosed in writing pursuant to Paragraph 3.2(b).
- (f) That as of the date of this Agreement the asking sales price is not less than the total of all monetary encumbrances on the Property.

9. OWNER'S ACKNOWLEDGMENTS. Owner acknowledges that it has been advised by Agent to consult and retain experts to advise and represent it concerning the legal and tax effects of this Agreement and consummation of a Transaction or Alternative Transaction, as well as the condition and/or legality of the Property, including, but not limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Agent shall have no obligation to investigate any such matters unless expressly otherwise agreed to in writing by Owner and Agent. Owner further acknowledges that in determining the financial soundness of any prospective buyer, lessee or security offered, Owner will rely solely upon Owner's own investigation, notwithstanding Agent's assistance in gathering such information.

10. MISCELLANEOUS.

- 10.1 This Agreement shall not be construed either for or against Owner or Agent, but shall be interpreted, construed and enforced in accordance with the mutual intent of the parties ascertainable from the language of this Agreement.
- 10.2 All payments by Owner to Agent shall be made in lawful United States currency. If Owner fails to pay to Agent any amount when due under this Agreement, then such amount shall bear interest at the rate of 15% per annum or the maximum rate allowed by law, whichever is less.
- 10.3 In the event of litigation or arbitration between Owner and Agent arising under or relating to this Agreement or the Property, the prevailing party shall be paid its attorney's fees and costs by the losing party. The term, "Prevailing Party" shall include, without limitation, one who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorney's fees award shall not be computed in accordance with any court fee schedule, but shall be in an amount to fully reimburse all attorney's fees reasonably incurred in good faith.
- 10.4 Owner agrees to indemnify, defend (with counsel reasonably acceptable to Agent), and hold Agent harmless from and against any claim or liability asserted against Agent as a result of the failure of Owner to make a full and complete disclosure pursuant to law and paragraph 3.2(a) or as a result of the fact that any of the representations made by Owner (see paragraph 8) were not true at the time that this Agreement was signed.
- 10.5 Owner hereby releases and relieves Agent, and waives Owner's entire right of recovery against Agent, for direct or consequential loss or damage arising out of or incident to the perils covered by insurance carried by Owner, whether or not due to the negligence of Agent.
- 10.6 In the event that the Transaction is not an outright sale, Owner agrees that if Agent is not paid the Agreed Commission provided for herein within thirty days of the date due, that Agent shall have a lien in the amount of such commission, and may record a notice of such lien, against the Property.
- 10.7 Owner agrees that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to the services to be performed by Agent pursuant to this Agreement may be brought against Agent more than one year after the expiration of the Term of this Agreement (see paragraph 1.3) and that the liability (including court costs and attorney's fees) of Agent with respect to any such lawsuit and/or legal proceeding shall not exceed any fee received by Agent pursuant to this Agreement; provided, however, that the foregoing limitation on liability shall not be applicable to any gross negligence or willful misconduct of Agent.

11. ARBITRATION OF DISPUTES.

- 11.1 ANY CONTROVERSY ARISING UNDER OR RELATING TO THIS AGREEMENT SHALL BE DETERMINED BY BINDING ARBITRATION TO BE CONDUCTED BY: ☒ THE AMERICAN ARBITRATION ASSOCIATION OR ☐ _____ USING THE COMMERCIAL RULES ESTABLISHED BY SUCH ORGANIZATION OR IF NONE THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL RULES. ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

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11.2 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

11.3 WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION:

Owner's Initials

Agent's Initials

11.4 THE PROVISIONS OF THE ABOVE ARBITRATION CLAUSE SHALL NOT BE BINDING ON EITHER PARTY UNLESS BOTH PARTIES HAVE PLACED THEIR INITIALS UNDER PARAGRAPH 11.3.

12. **Additional Provisions:** Additional provisions of this Agreement are set forth in the following blank lines or in an addendum attached hereto and made a part hereof consisting of paragraphs None through None (if there are no additional provisions write "NONE");

13. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.** When entering into an agreement with a real estate agent an Owner should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction.

(i) *Owner's Agent.* An Owner's agent may act as an agent for the Owner only. An Owner's agent or subagent has the following affirmative obligations: To the Owner: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings. To a potential buyer/lessee and the Owner: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) *Agent Representing Both Parties.* A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both Parties in a transaction, but only with the knowledge and consent of the Parties. In a dual agency situation, the agent has the following affirmative obligations to both Parties: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Party. b. Other duties to the Owner as stated above in subparagraph (i). When representing both Parties, an agent may not without the express permission of the respective Party, disclose to the other Party that the Owner will accept rent/purchase price in an amount less than that indicated in the listing or that the buyer/lessee is willing to pay a higher rent/purchase price than that offered.

The above duties of the Agent do not relieve Owner from the responsibility to protect its own interests. Owner should carefully read all agreements to assure that they adequately express its understanding of the transaction.

Date: _____

Date: _____

OWNER

AGENT

Desert Healthcare District

Coldwell Banker Commercial Lyle & Associates

By: _____

By: _____

Name Printed: _____

Name Printed: Rob Wenthold

Title: _____

Title: Vice President

Agent DRE License #: 01153834

Address: 78000 Fred Waring Dr., #200, Palm Desert, CA 92211

Phone: (760) 772-6400

Fax: (760) 772-6499

Email: rwenthold@dc.rr.com

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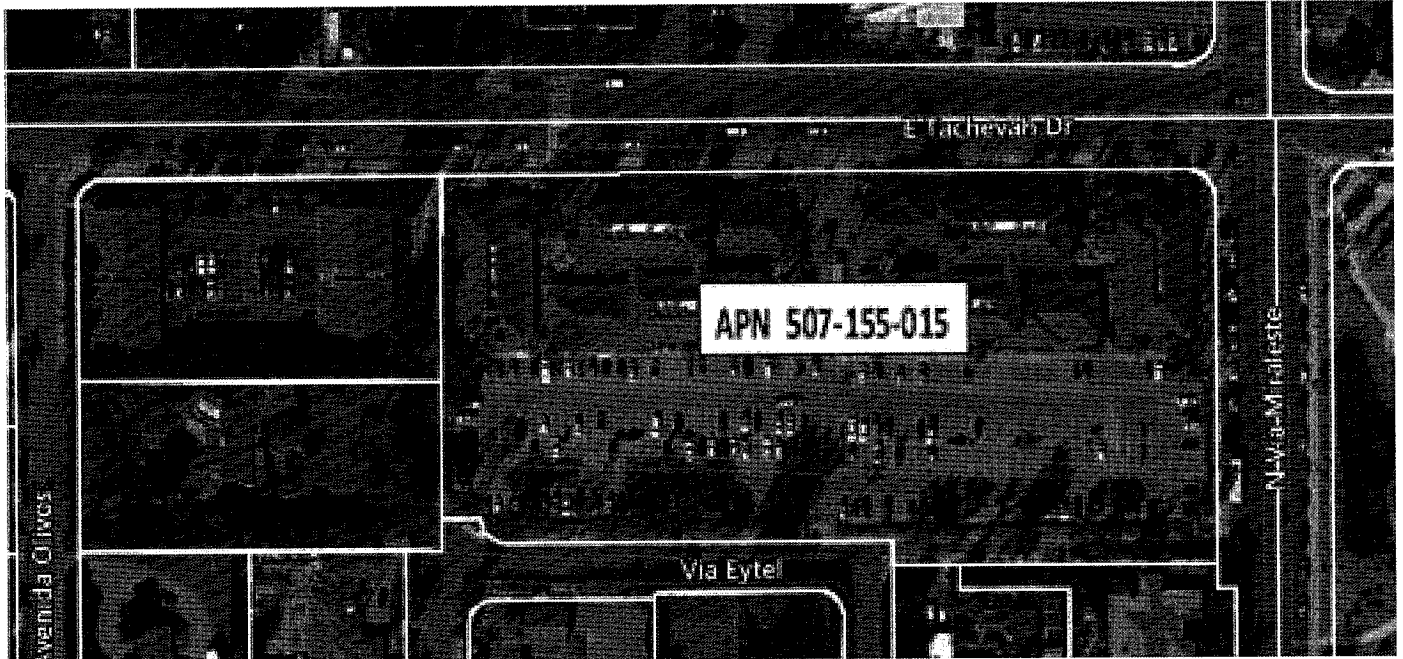
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EXHIBIT "A"
TO EXCLUSIVE RIGHT TO REPRESENT OWNER
FOR LEASE OF REAL PROPERTY

PROPERTY: 555 E. TACHEVAL DRIVE, PALM SPRINGS, CA 92262

APN: 507-155-015

OWNER: DESERT HEALTHCARE DISTRICT



DRAFT

AIR CRE. 500 North Brand Blvd, Suite 900, Glendale, CA 91203, Tel 213-687-8777, Email contracts@aircre.com
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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salesperson and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as a dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation. Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).**

☐ Buyer ☐ Seller ☒ Lessor ☐ Lessee _____ Date: _____
☐ Buyer ☐ Seller ☐ Lessor ☐ Lessee _____ Date: _____

Agent: Coldwell Banker Commercial Lyle & Associates DRE Lic. #: 01462012
Real Estate Broker (Firm)

By Rob Wenthold DRE Lic. #: 01153834 Date: _____

(Salesperson or Broker-Associate)

THIS FORM HAS BEEN PREPARED BY AIR CRE. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF THIS

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP
CIVIL CODE SECTIONS 2079.13 THROUGH 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13. As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. **(b)** "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee of real property. **(c)** "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobilehome, as defined in Section 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.29. **(d)** "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. **(e)** "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. **(f)** "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation. **(g)** "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. **(h)** "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. **(i)** "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. **(j)** "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2) multiunit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobilehome as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. **(k)** "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. **(l)** "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. **(m)** "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. **(n)** "Buyer's agent" means an agent who represents a buyer in a real property transaction.

2079.14. A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows: **(a)** The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. **(b)** The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. **(b)** As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller.

(c) CONFIRMATION: The following agency relationships are confirmed for this transaction.

Seller's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is the broker of (check one): ☐ the seller; or ☐ both the buyer and seller. (dual agent)

Seller's Agent DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is (check one): ☐ the Seller's Agent. (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent. (dual agent)

Buyer's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is the broker of (check one): ☐ the buyer; or ☐ both the buyer and seller. (dual agent)

Buyer's Agent DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is (check one): ☐ the Buyer's Agent. (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

2079.18 (Repealed pursuant to AB-1289, 2017-18 California Legislative session)

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may

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agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent’s employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. **(b)** A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. **(c)** “Confidential information” means facts relating to the client’s financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. **(d)** This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a seller’s agent from also being a buyer’s agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship. **(b)** A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender’s approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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LEASE LISTING AGREEMENT
dated April 4, 2019

SCHEDULE OF COMPENSATION
(Paragraph 5.1.)

Lessor:	DESERT HEALTHCARE DISTRICT
Broker:	COLDWELL BANKER COMMERCIAL LYLE & ASSOCIATES
Property:	555 E TACHEVAH DRIVE, PALM SPRINGS, CA 92262

For purposes of this Commission Rate Schedule and the Listing Agreement by and between COLDWELL BANKER COMMERCIAL LYLE & ASSOCIATES (Broker) and **LARRY ISAAC AND WALTER F. ROBBINS** (Lessor) to which this Exhibit is attached, the following shall apply:

1. **Total Base Rental.** "Total Base Rental", as referred to herein, means the total base rent payable for the specified period plus any and all fixed increases applicable during the specified period, the collective total of which shall be the basis for calculating the commission percentage.
2. **Non-Refundable.** Final responsibility for the approval or disapproval of any tenant and/or lease rests exclusively with Lessor. In the presentation of lease proposals to Lessor, no representation or warranty is made by Coldwell Banker Commercial Lyle & Associates regarding the financial sufficiency of any tenant, the viability of any proposed use, or the legal or tax consequences of any lease to Lessor. As such, commissions approved and paid by Lessor to Broker are not refundable in the event of any potential breach of lease.

3. **Commission Schedule:**

<u>6.0 %</u>	of the Total Base Rental for the first sixty (60) months of the Lease Term; plus
<u>3.0 %</u>	of the Total Base Rental for the next sixty (60) months of the Lease Term;
<u>1.0 %</u>	of the Total Base Rental for the remainder of the Lease Term; but in no event shall any commission payable for any completed lease be less than one month's rent.

Month to Month Tenancy: 100 % of the first month's base rental.

4. **Renewals:**

2.0% of the Total Base Rental for the Renewal Term.

5. **Payment Schedule:**

50% upon execution of the Lease.

50% upon the earlier of occupancy of Premises or "Rental Commencement Date" as specified in the Lease.

--

Initial Here



Date: April 9, 2019
To: Finance & Administration Committee
Subject: Kaufman Hall Letter of Engagement

Staff Recommendation: Consideration to approve the Engagement Letter of Kaufman, Hall & Associates, LLC to conduct three study sessions to allow the District Board to address the District's future role in providing access to healthcare to residents of the Coachella Valley

Background:

- Desert Healthcare District ("District") has previously employed the services of Kaufman, Hall & Associates, LLC ("Kaufman Hall") in assessing the ramifications of SB 1953 and its impact on requisite seismic upgrades for Desert Regional Medical Center ("DRMC")
- On November 6th, 2018, voters approved Measure BB, expanding the District boundaries to cover the entire Coachella Valley and increasing the District Board from five members to seven members
- The District would like to further utilize Kaufman Hall's knowledge and expertise in healthcare financial planning to facilitate study session to allow the seven-member Board in its decision making processes.
- Staff recommends approval of the Engagement Letter included in the packet.

Fiscal Impact:

NTE: \$90,000 plus expenses. Included in the District's FY18-19 annual budget.



Exceptional Partners. Exceptional Performance.

April 2, 2019

Mr. Chris Christensen
Interim Chief Executive Officer
Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, California 92262

Dear Chris:

Kaufman, Hall & Associates, LLC (“Kaufman Hall”) appreciates the offer to serve as facilitator to the Desert Healthcare District (or the “District”) in a forthcoming strategic planning process (the “Client Project”). Following a year of significant change for the District which saw its geographic boundaries expanded and the board enlargement to seven persons at the end of at large elections, the District has determined that now would be an appropriate time to give the board members an opportunity to participate in a structured dialogue around the strategic future of the District. The District needs to decide on a vision for its role in the community in the coming years, against a backdrop of significant community primary care and other needs, but also recognizing that the existing lease of Desert Regional Medical Center expires in 2027 and that the hospital would require significant investment to maintain its current configuration post the prevailing 2030 seismic upgrade requirements.

Kaufman Hall proposes that it facilitate a series of three two-hour meetings with the board in closed session designed to provide the market, legal and financial background necessary to allow the board members to address the question of the District’s role in the healthcare system in the Coachella Valley from an informed, consistent knowledge base.

PROJECT TEAM

The Kaufman Hall team for this engagement will be Jody Hill-Mischel, Managing Director, and Steve Hollis, Senior Vice President. Steve will lead the day-to-day effort and serve as primary point of contact for the District. Their biographies are given below.

Jody Hill-Mischel, *Managing Director*

Jody Hill-Mischel is a Managing Director of Kaufman Hall and is based in the Los Angeles office, which she directs. With more than 30 years in healthcare consulting, her expertise includes strategic financial and capital planning, strategic options assessment, merger, acquisition, divestiture, and partnership arrangements, and capital and financial advisory services. Ms. Hill-Mischel’s clients include healthcare systems, academic medical centers, community medical centers, and physician groups.

Mr. Chris Christensen
Desert Healthcare District
April 2, 2019
Page 3

The District may terminate this engagement at any time by providing Kaufman Hall thirty (30) days' prior written notice of its desire to terminate (the "Notification Date"). Kaufman Hall would be entitled to payment of a pro-rated portion of its professional fees, as well as reimbursement of expenses incurred through the Notification Date. Any extension of this engagement beyond the three sessions that are the subject of this engagement letter shall be subject to mutually agreeable terms between the District and Kaufman Hall.

Should the scope or schedule change for reasons outside of Kaufman Hall's control, Kaufman Hall may be entitled to additional fees, but only on the mutual agreement of the parties.

In addition to professional fees, Kaufman Hall charges for reimbursable travel, office, and any third-party data/analytics expenses. Travel and third-party data/analytics expenses are billed as incurred and are not subject to markup. Office expenses of \$2,250 per month include report preparation, communication expenses, and express shipments, among other overhead costs. Invoices are sent at the end of each month and are due upon receipt.

AUTHORIZATION

We appreciate the opportunity to support Desert Healthcare District in this important strategic planning process. Your signature below will indicate your agreement with this proposal and the attached terms and conditions, which are incorporated herein by reference. Please sign and return via email or by fax to (847) 965-3511.

If you have any questions, please do not hesitate to contact Jody Hill-Mischel or Steve Hollis at (847) 441-8780.

Sincerely,
KAUFMAN, HALL & ASSOCIATES, LLC



/sd
Attachment

cc: Jody Hill-Mischel
Steve Hollis

This proposal is accepted.
DESERT HEALTHCARE DISTRICT

Authorizing Signature / Date

Printed Name / Title

Mr. Chris Christensen
Desert Healthcare District
April 2, 2019
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Ms. Hill-Mischel has written for healthcare professional journals, including *hfm* magazine, and is a regular speaker on healthcare strategy and finance topics. Recent talks have included educational programs sponsored by the California Hospital Association, the Healthcare Financial Management Association, and the Society for Healthcare Strategy and Market Development. Ms. Hill-Mischel has been a guest lecturer on healthcare management topics to graduate students at the University of Southern California Health Administration Program.

Prior to joining Kaufman Hall in 1987, Ms. Hill-Mischel was in the healthcare practice of Ernst & Young's Los Angeles office, where she was responsible for financial feasibility studies, business/product line evaluations, long-term care analyses, managed care studies, physician group planning, and capital financing projects. Prior to this, she worked in the finance departments of a major teaching hospital and a four-hospital healthcare system.

Ms. Hill-Mischel has an M.H.A. from Duke University and a B.A. from Cornell University. She also is a CPA.

Steven R. Hollis, *Senior Vice President*

Steve Hollis is a Senior Vice President in the Mergers and Acquisitions, and Strategic and Financial Planning practices, working as part of the West Coast team. His areas of focus include capital planning and formation, mergers, acquisitions, partnerships, and divestitures, and strategic and capital alignment. Mr. Hollis' clients include healthcare organizations of all types on the West Coast.

Mr. Hollis is a healthcare finance veteran, having served the industry since 1982, first as a commercial lender, then as consultant and investment banker. Prior to joining Kaufman Hall, he was a Director at Barclays and at Goldman Sachs. Prior to this, he was a Managing Director with Banc of America Securities and a Partner with Cain Brothers & Company.

Mr. Hollis has served a diverse range of clients, from the large systems such as Kaiser, Dignity Health, Peace Health, and Adventist Health, to stand-alone community hospitals, children's hospitals, and public healthcare districts. He has represented organizations as underwriter on all types of bond issues and as a strategic and capital advisor on a wide array of merger and affiliation transactions.

Mr. Hollis has been a frequent speaker and panelist in a wide variety of healthcare forums. His work on hospital affiliations and capital formation has been published in *Health Affairs* and *Modern Healthcare*. Mr. Hollis has an M.A. from the University of California, Davis and a B.A. in Economics and Modern Languages from Leicester University in England.

PROJECT TIMING AND PROFESSIONAL FEES

Kaufman Hall's fees for this engagement will be \$30,000 per session for three sessions for a total of \$90,000, with fees payable in three consecutive monthly installments beginning April 2019. Kaufman Hall understands that the first of the three sessions has been scheduled for April 23, 2019. The dates for the second and third sessions are yet to be determined. Kaufman Hall would require that there be a three- to four-week interval between meetings to allow adequate time to prepare for each session.

TERMS AND CONDITIONS FOR CONSULTING SERVICES

The following are the terms and conditions by which Kaufman, Hall & Associates, LLC (“Consultant”) will provide services to Desert Healthcare District (“District”) pursuant to the engagement letter (the “Engagement Letter”) (the “Services”) to which these Standard Terms and Conditions relate. To the extent there is any conflict or discrepancy between the terms of the Engagement Letter and these Standard Terms and Conditions, these Standard Terms and Conditions shall control.

1. **Compensation.** District shall pay Consultant the compensation for Services and reimbursement for expenses incurred in the performance of Services. Consultant will issue invoices for fees and expenses monthly. Invoices shall be due and payable upon receipt thereof. In the event District in good faith disputes an invoiced charge, payment of such disputed charge shall be due within fifteen (15) days after resolution of such dispute. All fees are exclusive of taxes. District agrees to pay any and all applicable taxes, including, without limitation, sales, use, and excise taxes, except to the extent payment of taxes is excused due to District’s tax exempt status. If applicable, District shall submit a copy of its tax exempt certificate to Consultant along with the signed Engagement Letter.
2. **Warranties.** Consultant warrants to District that (i) Consultant will perform the Services in good faith with qualified personnel in a competent and professional manner in accordance with the Engagement Letter and subject to these Standard Terms and Conditions and (ii) Consultant is not excluded from participation in any federal or state healthcare program for the provision of items or services for which payment may be made under such federal or state healthcare program, and has not arranged or contracted with any employee, contractor, or agent that is excluded from participation in any federal or state healthcare program, to provide items or services hereunder.
3. **Ownership and Use of Materials.** In the course of rendering the Services, Consultant may create and provide to District documents which include (i) District internal data, analyses, recommendations, and similar items (collectively, “Client Content”), and (ii) data and/or recommendations that have been created by Consultant for the benefit of District as part of the Services (collectively, “Consulting Data”). In the development of Consulting Data, Consultant may use algorithms, software systems, plans, processes, tracking tools, contract assessment/modeling tools, formulas, or data from 3rd party vendors, and other intellectual property owned by Consultant or which Consultant has the right to use as of or after the date hereof (including, without limitation, the format of Consultant’s reports and any improvements or knowledge Consultant develops, whether alone or with others, in the performance of the Services) (collectively, “Consultant Tools”). District shall own, solely and exclusively, the Client Content delivered under the Engagement Letter and any and all of District’s Confidential Information (as defined below). District agrees that Consultant shall own, solely and exclusively, all Consultant Tools and all intellectual property rights therein whether or not registerable (including without limitation patents and inventions, trademarks, service marks, logos and domain names and all associated goodwill, copyrights and copyrightable works and rights in data and databases, and trade secrets, know-how and other confidential information). Client acknowledges and agrees that Consultant may, and reserves the right to, use the Client Content and any information and data generated by the Consultant Tools, solely in an aggregated, non-personally identifiable manner in order to create and improve the compilations, statistical analyses, or benchmarks provided by Consultant in any services (collectively, “Aggregate Data”) as long as the resulting information does not identify District and District hereby grants to Consultant a perpetual, irrevocable, royalty-free license to use the Client Content, solely as described herein. All right, title and interest in and to the Aggregate Data shall inure to the sole and exclusive benefit of Consultant. With respect to any Consulting Data that is contained in any documents delivered by Consultant to Client, Consultant grants District a royalty free, paid up, non-exclusive, perpetual license to use the Consulting Data solely in connection with District’s internal use of the documents and for no other purpose. District acknowledges and agrees that all Consulting Data (including any advice, recommendations, information, or work product incorporated into the Consulting Data) provided to District by Consultant in connection with the engagement is for the sole internal use of District, including all subsidiaries of District, and may

not be used or relied upon by any third party; provided that District may incorporate into documents that District intends to disclose externally Consultant summaries, calculations or tables based on District information contained in Client Content, but not Consultant's recommendations or findings. Consultant retains all rights not expressly granted to Client hereunder.

4. **Confidentiality**

4.1 **District Confidential Information.**

- a. Any and all documentation, data, opinions, information, and communications made or furnished by District to Consultant in connection with the Services shall remain proprietary to District and shall be held by Consultant and any Consultant subcontractor in strict confidence and shall not be released, copied, or disclosed by Consultant or any Consultant subcontractor without the prior written consent of District ("District Confidential Information").
- b. Notwithstanding the foregoing or anything to the contrary herein, District's Confidential Information shall not include any information that:
 - i. At the time of disclosure is or thereafter becomes available to the general public (other than as a result of a disclosure by Consultant in violation of this agreement);
 - ii. Is received by Consultant on a non-confidential basis from a third-party without a known duty of confidentiality to District; or
 - iii. Is independently developed by Consultant without reliance on District's confidential information.
- c. Upon completion of the Services, upon District's written request, Consultant will return to District (or destroy) all tangible copies of District's Confidential Information in Consultant's possession as a result of the Services.
- d. Notwithstanding the foregoing, Consultant shall be permitted to retain a copy of the Client Content and work papers created by Consultant in the provision of the Services for archival purposes. Consultant agrees to be bound by the confidentiality provisions herein for so long as District's Confidential Information remains in Consultant's possession.

4.2 Consultant Confidential Information. The Consulting Tools and the Engagement Letter, including the terms therein (including, without limitation, pricing) and these Standard Terms and Conditions, shall remain proprietary to Consultant and shall be held by District in strict confidence and shall not be released, copied, or disclosed by District without the prior written consent of Consultant ("Consultant Confidential Information").

4.3 Restrictions on Use. The parties agree to use the same degree of care in the handling of the other party's Confidential Information that each party employs to protect its own confidential information, but no less than a reasonable degree of care.

4.4 Compelled Disclosures. In the event a party is compelled to disclose the Confidential Information of the other party to comply with any applicable law, order, regulation, or ruling, the compelled party shall (if not prohibited by applicable law, order, regulation, or ruling) provide prompt notice of the same to the disclosing party in order to allow such party to take necessary action to protect its confidential information, including to seek a protective order, as appropriate, and will cooperate with the disclosing party, at disclosing party's expense, in protecting the confidentiality of the confidential information in a lawful manner; provided however, that if such legal or regulatory process is pursuant to the regulatory examination requirements of a regulator with jurisdiction over the party so compelled, no notice shall be required. Notwithstanding the foregoing, nothing in these Standard Terms and Conditions shall prevent either party from complying with all such compelled legal disclosures.

5. **Audit.** Until the expiration of four (4) years after the furnishing of the Services, Consultant shall make available upon request of the Secretary of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, the Engagement Letter, these Standard Terms and Conditions, books, documents, and records of Consultant that are necessary to certify the nature of the cost claimed to Medicare with respect to the Services.
6. **Responsibilities, Liabilities, and Indemnification.** District recognizes that this engagement is not intended to shift to Consultant risks that are normally borne by District. It is therefore understood and agreed that:
 - a. The Services may include advice and recommendations, but all decisions to implement or not implement any such advice and recommendations shall be the sole responsibility of, and made solely by, District. District shall make all management decisions on its own behalf and shall designate individual(s) who possess suitable skill, knowledge, and experience to oversee the engagement and evaluate Client Content on District's own behalf. District will cooperate with Consultant in the performance of the Services and will provide or arrange to provide timely access to and use of District personnel, facilities, equipment, data, and information to the extent necessary for Consultant to perform the Services. District acknowledges that Consultant will base its conclusions and recommendations on the material, data, and information furnished by District and third parties, and Consultant has no responsibility to independently validate such material, data, and other information, and may rely upon the accuracy and completeness of such data, material, and other information, and Consultant does not warrant that any particular result will occur.
 - b. District further understands that certain statements and recommendations made by the Consultant will be based on or may contain projections and forward-looking statements, including, without limitation, statements as to trends, District management's or the Consultant's beliefs and expectations regarding future circumstances and events, and opinions (based upon a number of assumptions and recommendations) that ultimately may prove to be inaccurate. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on current beliefs, expectations and events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. District's actual results may differ materially from those indicated in the forward-looking statements. Consultant undertakes no obligation to update any forward-looking statement.
 - c. Except to the extent otherwise provided in Paragraph 6(d) below, in no event shall Consultant's liability to District under or with respect to this agreement exceed the amount of payments actually received by Consultant from District for the Services. District agrees that this limitation applies: (i) regardless of the nature of the claim, whether alleged as a breach of contract, tort, negligence, strict liability, or any other legal theory; (ii) whether or not District has been advised of the possibility of such damages; and (iii) notwithstanding any failure of essential purpose of any limited remedy provided. In no event shall Consultant be liable to District for any lost profits, or for any indirect, special, consequential, reliance, incidental, or punitive damages whatsoever.
 - d. Consultant will indemnify, hold harmless, and defend (by employment of competent legal counsel selected by Consultant reasonably acceptable to District), District and its employees, officers, directors, and agents, from and against any and all claims, demands or actions brought by third parties, and any resulting losses, liabilities, costs, and expenses of any kind or nature whatsoever (including, without limitation, reasonable attorney's fees and expenses) (hereinafter individually and collectively referred to as "Claims") that arise out of bodily injury or damage to tangible personal property suffered by a third party directly and proximately caused by the acts or omissions of Consultant or any employee or agent of Consultant while physically present on the premises of District. Obligations arising out of this section 6(d) shall apply only in proportion to the extent of the act or omission of the employee or agent.

- e. District will indemnify, hold harmless, and defend (by employment of competent legal counsel selected by District reasonably acceptable to Consultant) Consultant and its employees, officers, directors, and agents, from and against any and all Claims that arise out of, or are directly or indirectly related to the Client Project.
 - f. District agrees to pay all costs and expenses that are incurred by Consultant (including expenses of Consultant's counsel) to deal with or otherwise respond to any regulatory inquiries, legal investigations, or other legal process of any kind (a "Proceeding") that is connected with, arises out of, or relates to the Client Project, unless Consultant is the subject of any such Proceeding.
 - g. An indemnifying party hereunder may not agree to settle or dispose of any claims against an indemnified party if such settlement or disposal imposes an affirmative obligation on the indemnified party, except with indemnified party's express written consent.
7. **Governing Law.** The Engagement Letter and these Standard Terms and Conditions shall be governed in accordance with the laws of the State of Illinois, without regard to conflicts of law provisions.
8. **Non-Solicitation.** The parties agree not to solicit or cause to be solicited the employment of any personnel of the other without first obtaining the written authorization of the other, during the term of this agreement and continuing for a period of twelve (12) months thereafter. Solicitations via any media of general availability, such as newspapers or trade publication advertisements, internet listing or similar solicitations not targeted at specific employees, and to which individuals choose to respond, shall not constitute a violation of this provision.
9. **Independent Contractor.** It is understood and agreed that Consultant is an independent contractor and not an agent, employee, or representative of District. Any conduct in which Consultant engages in connection with or in the performance of the engagement shall be solely in its capacity as an independent contractor, and nothing in the Engagement Letter or these Standard Terms and Conditions shall be construed to the contrary.
10. **Assignment.** Neither party may assign the Engagement Letter without the written consent of the other party, which consent will not be unreasonably withheld; provided, however, that Consultant may assign or transfer its rights, or delegate its duties, under this agreement, in whole or in part, to an affiliate of Consultant or to any successor to, or purchaser of Consultant's assets or pursuant to a change in control.
11. **Severability.** In the event that any term or provision of the Engagement Letter or these Standard Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder of the Engagement Letter and these Standard Terms and Conditions shall not be affected. Upon such determination that any term or provision is invalid, void, or unenforceable, the parties shall negotiate in good faith to modify the affected term or provision to effect the original intent of the parties as closely as possible in a mutually acceptable manner so that the transactions contemplated thereby and hereby may be consummated as originally contemplated to the greatest extent possible.
12. **Amendment; Waiver.** The Engagement Letter and these Standard Terms and Conditions may only be amended, modified, or supplemented by an agreement in writing signed by the duly authorized representative of the parties. No waiver of breach of any provision of the Engagement Letter or these Standard Terms and Conditions by either District or Consultant shall constitute a waiver of any subsequent breach of the same or any other provision, and no waiver shall be effective unless made in writing and signed by an officer of the other party.
13. **Entire Agreement.** It is understood and agreed that the Engagement Letter together with all exhibits and schedules, and these Standard Terms and Conditions, constitute the entire agreement between District and Consultant regarding the Services and supersede all other prior or

contemporaneous oral and written representations, understandings, or agreements related thereto, including any confidentiality agreements previously entered into, none of which prior or contemporaneous matters shall be binding.

14. **Form of Signature.** The parties agree that the Engagement Letter and these Standard Terms and Conditions shall be deemed fully executed by affixing a duly authorized District representative and a duly authorized Consultant representative signature to the Engagement Letter attached hereto, whether by original, electronic, or facsimile signature.
15. **Data Submissions.** Consultant may from time to time, in support of the Services, require data files from District. Consultant and District agree to the following:
 - a. Consultant will not accept any file that contains a person's Social Security Number ("SSN") or patient name;
 - b. Consultant will only accept Protected Health Information ("PHI" as defined by the HIPAA/HITECH rules 45 C.F.R. Parts 160 and 164) if such PHI is required to provide the Services;
 - c. Files received by Consultant containing SSN, patient name, or unnecessary PHI will be deleted from all locations in the Consultant's email, network, website, and computers and District will receive email notification of the steps taken;
 - d. If Consultant has been or is granted access to PHI, Consultant and District shall enter into a mutually agreeable, HIPAA/HITECH compliant Business Associate Agreement prior to Consultant receiving any data that includes PHI; and
 - e. Consultant will only accept files containing PHI via Consultant's FTP site or District's FTP site and:
 - i. These files must require a password to open which needs to be sent to the Consultant representative via a separate email; and
 - ii. These files must contain only the minimum necessary data for Consultant to provide the Services.

Failure by either party to comply with the provisions of this Section 15 may result in a Security Incident as such is defined in the HIPAA/HITECH rules.