



**DESERT HEALTHCARE DISTRICT  
BOARD MEETING  
Board of Directors  
June 28, 2022  
5:30 P.M.**

In accordance with new authorization signed by the Governor – Executive Order N-17-21 on September 16, 2021 - (AB 361 - Government Code 54953 effective until January 1, 2024), which extends the provisions of the Governor's Executive Order N-29-20 of March 12, 2020, revised on March 18, 2020, and Board-approved Resolution #21-03 on September 26, 2021, teleconferencing will be used by the Board members and appropriate staff members during this meeting.

In lieu of attending the meeting in person, members of the public can participate by webinar by using the following link:

<https://us02web.zoom.us/j/85331268275?pwd=Qm91b0tLSkxGNDhKNnB4ZFZvV1psUT09>  
**Password: 271292**

Participants will need to download the Zoom app on their devices. Members of the public may also be able to participate by telephone, using the follow dial in information:

Dial in: **(669) 900-6833 or Toll Free (833) 548-0282** To Listen and Address the Board when called upon:  
**Webinar ID: 853 3126 8275**  
**Password: 271292**

You may also email [ahayles@dhcd.org](mailto:ahayles@dhcd.org) with your public comment no later than 4 p.m., Tuesday, 06/28

<i>Page(s)</i>	<b>AGENDA</b> <i>Any item on the agenda may result in Board Action</i>	<i>Item Type</i>
	<b>A. CALL TO ORDER – President Borja</b> Roll Call Director De Lara____Director Zendle, MD____ Director Rogers, RN____Director Shorr____ Secretary Zavala____Vice-President PerezGil____President Borja	
	<b>B. PLEDGE OF ALLEGIANCE</b>	
1-4	<b>C. APPROVAL OF AGENDA</b>	<b>Action</b>
	<b>D. PUBLIC COMMENT</b> At this time, comments from the audience may be made on items <u>not</u> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. <b>The Board has a policy of limiting speakers to no more than three minutes.</b> The Board cannot take action on items not listed on the agenda. Public input may be offered on agenda items when they come up for discussion and/or action.	
	<b>E. CONSENT AGENDA</b> All Consent Agenda item(s) listed below are considered routine by the Board of Directors and will be enacted by one motion. <u>There will be no separate discussion of items unless a Board member so requests, in which event the item(s) will be considered following approval of the Consent Agenda.</u>	<b>Action</b>



1. BOARD MINUTES
  - 5-6 a. Special Meeting of the Board Financial Workshop – May 3, 2022
  - 7-8 b. Board of Directors Meeting Closed Session – May 24, 2022
  - 9-18 c. Board of Directors Meeting – May 24, 2022
2. FINANCIALS
  - 19-41 a. Approval of the May 2022 Financial Statements – F&A Approved June 14, 2022
3. LAS PALMAS MEDICAL PLAZA
  - 42-64 a. LPMP – Suite 2W-101 - Dr. Wolfson Lease Renewal – 3 Years
  - 65-87 b. LPMP – Suite 3W-103 - Dr. Gundry Lease Renewal – 3 Years
4. AGREEMENTS
  - 88-97 a. Consulting Services Agreement – Spitfire Strategies – Board Development – NTE \$45,000
  - 98-100 b. Amendment #3 to the Kaufman Hall Associates May 20, 2021, Engagement Letter – Effective May-July 2022 – \$75,000 per month, plus expenses
  - 101-102 c. Addendum #3 - Magdalena Martinez, HR Consultant - \$927/month
5. POLICIES
  - 103-133 a. Desert Healthcare Foundation Bylaws
  - 134-135 b. Stipend Ordinance No. 22-01 & Resolution No.22-12
  - 136-141 c. Policy #BOD-21 – Meeting & Insurance Compensation
  - 142-149 d. Policy #BOD-18 – Ticket Distribution
  - 150-153 e. Policy #FIN-02 – Authorized Check Signers, Signers, Dollar Limits, and Transfer of Funds
  - 154-157 f. a. Policy #FIN-03 Statement of Investment Policy
  - 158-159 b. Resolution No.22-13 – Investment Policy
  - 160-163 g. Policy #FIN-05 Credit Card Usage
6. GRANTS
  - a. Coachella Valley Equity Collaborative – Core Operating Support for two (2) years to continue equitable community work after COVID-19
    - 164-187 1. #1325 Vision Y Compromiso \$150,000
    - 188-209 2. #1327 Youth Leadership Institute \$50,000
    - 210-230 3. #1328 El Sol Neighborhood Education Center \$150,000
    - 231-252 4. #1331 Pueblo Unido \$50,000
7. RESOLUTIONS
  - 253-255 a. Subsequent Emergency Resolution #22-14 Re-Ratifying the State of Emergency and Re-Authorizing Remote Teleconference Meetings

**F. DESERT REGIONAL MEDICAL CENTER CEO REPORT**  
– Michele Finney, CEO

Information



## **G. DESERT HEALTHCARE DISTRICT CEO REPORT**

– Conrado E. Bárzaga, MD, Chief Executive Officer

<b>256-259</b>	1. Consideration to approve Resolution #22-15 to carryover the remaining \$2.5M Grants Programs Budget from FY 2021-2022 to FY 2022-2023	<b>Action</b>
<b>260-274</b>	2. Consideration to approve an amendment to Grant #965 Desert Healthcare Foundation: Behavioral Health Initiative \$2M from FY 21-22 grant budget for allocating to the existing Behavioral Health collective fund to expand access to behavioral healthcare services in the Coachella Valley	<b>Action</b>
<b>275-288</b>	3. Consideration to approve the Notice of General Election Form (Notice to the Registrar of Voters) Due Date July 6, 2022	<b>Action</b>
<b>289</b>	4. Consideration for the Desert Healthcare District to add Juneteenth as a paid holiday for District employees	<b>Action</b>
<b>290-291</b>	5. Consideration to approve the CEO's appointment to the newly formed Inland Empire Health Plan (IEHP) Foundation Board of Directors	<b>Action</b>
<b>292-293</b>	6. Local Area Formation Commission (LAFCO) Special District Selection Committee Election – Western County Results	Information
<b>294-296</b>	7. CEO Community Engagements and District Media Visibility	Information
<b>297</b>	8. In-Person Board Meetings – Update	Information

## **H. DESERT REGIONAL MEDICAL CENTER GOVERNING**

**BOARD MEETING** – Les Zendle, MD and Carole Rogers, RN Information

## **I. COMMITTEE MEETINGS**

	<b>1. STRATEGIC PLANNING COMMITTEE</b> – Chair/Director Les Zendle, MD, President Karen Borja, and Director Leticia De Lara	
<b>298-299</b>	1. Draft Meeting Minutes – June 15, 2022	Information
	<b>2. FINANCE, LEGAL, ADMINISTRATION &amp; REAL ESTATE COMMITTEE</b> – Chair/Director Arthur Shorr, President Karen Borja, and Director Les Zendle, MD	
<b>300-303</b>	1. Draft Meeting Minutes – June 14, 2022	Information
<b>304-326</b>	2. Consideration to approve Las Palmas Medical Plaza (LPMP) WestPac Lab New Lease Agreement – 1-Year with 1-Year Option – Suite 1W-104	<b>Action</b>



	<b>3. PROGRAM COMMITTEE – Chair/Vice-President Evett PerezGil, President Karen Borja, and Secretary Carmina Zavala</b>	
<b>327-331</b>	1. Draft Meeting Minutes – June 14, 2022	Information
<b>332</b>	2. Grant Payment Schedule	Information
<b>333</b>	3. Grant applications and Request for Proposals Submitted and Under Review	Information
<b>334-355</b>	4. Progress and Final Reports	Information
	<b>4. BOARD AND STAFF COMMUNICATIONS &amp; POLICIES COMMITTEE – Chair/Director Leticia De Lara, Vice-President Evett PerezGil, and Director Les Zendle, MD</b>	
<b>356-359</b>	1. Draft Meeting Minutes – June 15, 2022	Information
<b>360-363</b>	2. Remote Work Agreement	Information
<b>J.</b>	<b>LEGAL</b>	
<b>K.</b>	<b>IMMEDIATE ISSUES AND BOARD COMMENTS</b>	
<b>L.</b>	<b>ADJOURNMENT</b>	

The undersigned certifies that on June 24, 2022, I posted a copy of this agenda in the front entrance to the Desert Healthcare District offices located at 1140 North Indian Canyon Drive, Palm Springs, California. I also caused a copy of this agenda to be posted in the front entrance of the Desert Healthcare District office located at the Regional Access Project Foundation, 41550 Eclectic Street, Suite G100, Palm Desert California. 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](mailto:ahayles@dhcd.org) or call (760) 567-0298 at least 24 hours prior to the meeting.

*Andrea S. Hayles*

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Andrea S. Hayles, Board Relations Officer





**DESERT HEALTHCARE DISTRICT  
SPECIAL BOARD OF DIRECTORS MEETING  
MINUTES MEETING MINUTES  
May 03, 2022**

<b>Directors Present – Video Conference</b>	<b>District Staff Present – Video Conference</b>	<b>Absent</b>
Vice-President Evett PerezGil (Acting President) Director Carmina Zavala, Secretary Director Arthur Shorr Carole Rogers, RN Director Les Zendle, MD Director Leticia De Lara	Conrado E. Bárzaga, MD, CEO Chris Christensen, CAO Donna Craig, Chief Program Officer Alejandro Espinoza, MPH, Chief of Community Engagement Eric Taylor, Accounting Manager Andrea S. Hayles, Clerk of the Board  <u>Legal Counsel</u> Jeff Scott	President Karen Borja

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>A. Call to Order</b>  <b>Roll Call</b>	Acting President PerezGil called the meeting to order at 5:30 p.m. in the absence of President Borja.  The Clerk of the Board called the roll with all directors' present except President Borja and Director De Lara who joined the meeting shortly after the roll call.	
<b>B. Pledge of Allegiance</b>	Acting President PerezGil asked Director Shorr to lead the Pledge of Allegiance.	
<b>C. Approval of Agenda</b>	Acting President PerezGil asked for a motion to approve the agenda.	<b>#21-93 MOTION WAS MADE by Director Zendle and seconded by Director Rogers to approve the agenda.</b> <b>Motion passed unanimously.</b> <b>AYES – 5 Vice-President/Secretary PerezGil, Director Shorr, Director Rogers, Director Zendle, and Director Zavala</b> <b>NOES – 0</b> <b>ABSENT – 2 President Borja and Director De Lara</b>
<b>D. Public Comment</b>	There was no public comment.	
<b>E. Board Governance Workshop</b>	Chris Christensen, CAO, provided background on the	



**DESERT HEALTHCARE DISTRICT  
SPECIAL BOARD OF DIRECTORS MEETING  
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May 03, 2022**

<b>1. Understanding the District Financial Statements</b>	<p>financial statements and commenced his review with the year-to-date variance analysis explaining the facility replacement fund and the loss on investments, a comprehensive review of the profit &amp; loss budget vs. actual, a lengthy Q&amp;A, including the balance sheet previous year comparison, and an overview of the liabilities and equity. The directors also briefly discussed unspent grant funding for a collective fund for the homelessness initiative.</p> <p>Mr. Christensen commended Eric Taylor, Accounting Manager, and Erica Huskey, Program Assistant, for Mr. Taylor's financial role and Mrs. Huskey's grant program funding functions.</p>	
<b>F. Adjournment</b>	President Borja adjourned the meeting at 7:13 p.m.	<b>Audio recording available on the website at</b> <a href="http://dhcd.org/Agendas-and-Documents">http://dhcd.org/Agendas-and-Documents</a>

ATTEST: \_\_\_\_\_  
Carmina Zavala, PsyD, Secretary  
Desert Healthcare District Board of Directors

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



**DESERT HEALTHCARE DISTRICT  
SPECIAL BOARD OF DIRECTORS MEETING MINUTES  
MEETING MINUTES  
May 24, 2022**

<b>Directors Present – Video Conference</b>	<b>District Staff Present – Video Conference</b>	<b>Absent</b>
President Karen Borja Vice-President Evett PerezGil Secretary Carmina Zavala, PsyD Director Arthur Shorr Director Carole Rogers, RN Director Leticia De Lara, MPA	<u>Legal Counsel</u> Jeff Scott	Director Les Zendle, MD

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>A. Call to Order</b>  <b>Roll Call</b>	President Borja called the meeting to order at 5:30 p.m.  Jeff Scott, Legal Counsel, called the roll with all directors present except Director Zendle, MD.	
<b>B. Pledge of Allegiance</b>	President Borja led the Pledge of Allegiance.	
<b>C. Approval of Agenda</b>	President Borja asked for a motion to approve the agenda and to move into Closed Session.	<b>#21-94 MOTION WAS MADE by Director Rogers and seconded by Director Shorr to approve the agenda and move into Closed Session.</b> <b>Motion passed unanimously.</b> <b>AYES – 6 President Borja, Vice-President PerezGil, Secretary Zavala, Director Shorr, Director Rogers, and Director De Lara</b> <b>NOES – 0</b> <b>ABSENT – 1 Director Zendle</b>
<b>D. Convene to Closed Session of the Desert Healthcare District Board of Directors</b> 1. Pursuant to Government Code 54957: Public Employee Evaluation pursuant to Government Code 54957 Title: Chief Executive Officer		<b>The Board convened to Closed Session pursuant to Government Code 54957.</b>
<b>E. Reconvene to Open Session of the Desert Healthcare District Board of Directors</b>		<b>The Board convened to Open Session</b>



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SPECIAL BOARD OF DIRECTORS MEETING MINUTES  
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<b>F. Report After Closed Session</b>	Counsel Scott reported that the Board conducted the annual evaluation of the CEO, and no action was taken.	
<b>G. Adjournment</b>	President Borja adjourned the meeting at 5:45 p.m.	<b>Audio recording available on the website at <a href="http://dhcd.org/Agendas-and-Documents">http://dhcd.org/Agendas-and-Documents</a></b>

ATTEST: \_\_\_\_\_  
Carmina Zavala, PsyD, Secretary  
Desert Healthcare District Board of Directors

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



**DESERT HEALTHCARE DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
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<b>Directors Present – Video Conference</b>	<b>District Staff Present – Video Conference</b>	<b>Absent</b>
President Karen Borja Vice-President Evett PerezGil Secretary Carmina Zavala, PsyD Director Arthur Shorr Director Carole Rogers, RN Director Leticia De Lara, MPA	Conrado E. Bárzaga, MD, CEO Chris Christensen, CAO Donna Craig, Chief Program Officer Alejandro Espinoza, MPH, Chief of Community Engagement Jana Trew, Senior Program Officer Will Dean, Marketing and Communications Director Meghan Kane, MPH, Senior Program Officer, Public Health Andrea S. Hayles, Clerk of the Board  <u>Legal Counsel</u> Jeff Scott	Director Les Zendle, MD

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>A. Call to Order</b>  <b>Roll Call</b>	President Borja called the meeting to order at 5:45 p.m.  The Clerk of the Board called the roll with all directors present except Director Zendle, MD.	
<b>B. Pledge of Allegiance</b>	President Borja led the Pledge of Allegiance.	
<b>C. Approval of Agenda</b>	President Borja acknowledged the horrors of the mass shootings throughout the nation over the past months and weeks, pausing for a moment of silence.  President Boja asked for a motion to approve the agenda.	<b>#21-95 MOTION WAS MADE by Director Rogers and seconded by Director Shorr to approve the agenda.</b> <b>Motion passed unanimously.</b> <b>AYES – 6 President Borja, Vice-President PerezGil, Secretary Zavala, Director Shorr, Director Rogers, and Director De Lara</b> <b>NOES – 0</b> <b>ABSENT – 1 Director Zendle</b>
<b>D. Public Comment</b>	Brad Anderson, Rancho Mirage Resident, described the qualms of virtual public participation since he uses a pre-paid phone service, requesting an 800	

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	number for expense purposes also to ease the financial burden on others. Mr. Anderson asked for consideration to dissolve the district, explaining that he believes the purpose and mission are corrupted from the district's original mission, also requesting public comment on consent agenda item 6. a.	
<b>E. Consent Agenda</b>  <b>1. BOARD MINUTES</b> a. Board of Directors Meeting – April 26, 2022 <b>2. FINANCIALS</b> a. Approval of the April 2022 Financial Statements – F&A Approved May 10, 2022 b. FY2022-2023 Annual Budget <b>3. LAS PALMAS MEDICAL PLAZA</b> a. Las Palmas Medical Plaza – Early Lease Termination – Suite 1W 104 – Dr. Bencheqroun <b>4. AGREEMENTS</b> a. Consulting Services Agreement for NPO Centric – Education and Training for Results Based Accountability (RBA) and Clear Impact Platforms – NTE \$48,000 b. VMG Engagement Letter – Desert Regional Medical Center Appraisal Report – NTE \$137,000 plus expenses c. Simpson Gumpertz & Heger (SGH) Proposal for Consulting Services Seismic Compliance Evaluation Phase 1 – NTE \$26,800 plus expenses <b>5. GRANTS</b>	<p>President Borja pulled item 6.a. from the consent agenda for public comment purposes of Mr. Brad Anderson.</p> <p>Director De Lara requested pulling item 4.a. due to a conflict of interest and recusing herself from the vote.</p> <p>Public Comment: Brad Anderson, Rancho Mirage Resident, described item 6.a. related to remote meetings, his opposition, requesting that the Board does not accept the resolution for emergency meetings since board members are attending public events and not achieving their civic duties by not having public participation at a venue. Although there is legislation in Sacramento that will allow the Board to continue with remote meetings – it is a morally wrong issue and votes may be suspected of corrupt action.</p>	<p><b>#21-96 MOTION WAS MADE by Director Shorr and seconded by Director De Lara to approve the consent agenda pulling items 4.a. and 6.a.</b>  <b>Motion passed unanimously.</b>  <b>AYES – 6</b> President Borja, Vice-President PerezGil, Secretary Zavala, Director Shorr, Director Rogers, and Director De Lara  <b>NOES – 0</b>  <b>ABSENT – 1</b> Director Zendle</p> <p><b>#21-97 MOTION WAS MADE by Vice-President PerezGil and seconded by Director Rogers to approve consent agenda item 4.a.</b>  <b>Motion passed unanimously.</b>  <b>AYES – 5</b> President Borja, Vice-President PerezGil, Secretary Zavala, Director Shorr, and Director Rogers  <b>NOES – 0</b>  <b>RECUSAL – 1</b> Director De Lara  <b>ABSENT – 1</b> Director Zendle</p> <p><b>#21-98 MOTION WAS MADE by Director De Lara and seconded by Director Rogers to approve item 6.a. of the consent agenda.</b></p>

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<p>a. Grant #1314 Voices for Children: Court Appointed Special Advocate (CASA) Program – \$60,000. Goals 2 and 3 – Access to primary and specialty care and Access to behavioral care. Strategies 2.7 and 3.7 Utilize and equity lens to expand services and resources to underserved communities and collaborate/partner with community providers to enhance access to culturally sensitive behavioral/mental health services.</p> <p><b>6. RESOLUTIONS</b></p> <p>a. Subsequent Emergency Resolution #22-10 Re-Ratifying the State of Emergency and Re-Authorizing Remote Teleconference Meetings</p>		<p>Motion passed unanimously. AYES – 6 President Borja, Vice-President PerezGil, Secretary Zavala, Director Shorr, Director Rogers, and Director De Lara NOES – 0 ABSENT – 1 Director Zendle</p>
<p><b>F. Desert Healthcare District CEO Report</b></p> <p><b>1. COVID-19 Coachella Valley Update</b></p> <p><b>2. Seismic Legislative Affairs</b></p>	<p>Conrado Bárzaga, MD, CEO, described the increase in COVID-19 cases and collaborations with Riverside County Public Health to promote vaccinations with events for underserved populations, and an anticipation of an escalation of activities since the approval of the booster shot recommendation for younger children.</p> <p>Dr. Bárzaga, CEO, described collaborations with other district CEOs and legislative efforts for funding the seismic</p>	

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	retrofit. Assemblymember Garcia has submitted a budget request of \$1B to support the seismic retrofit efforts to assist district hospitals in financing the mandate for the 2030 deadline. Staff is monitoring the request and contacting local legislators for their support.	
<b>3. CEO Community Engagements and District Media Visibility</b>	Dr. Bárzaga, CEO, described the monthly participation of events for his community engagements.	
<b>4. Board Policies and Resolution Update</b>	Dr. Bárzaga, CEO, described the budgeting process and updating policy BOD-21 for increasing the monthly meeting stipends from \$105 to \$110, which requires an ordinance for approval at the June board meeting. In the meantime, notification will be published in the local newspaper. The healthcare insurance premium will require an update to the policy for an annual increase from \$10,000 to \$10,600, that requires a resolution for approval at the June board meeting.	
<b>5. In-Person Board Meetings</b>	Dr. Bárzaga, CEO, explained as directed by the board for a report enabling the return to in-person meetings, describing the existing law for virtual meetings through January 1, 2024, and the importance of public participation. The district has acquired technology to allow for a hybrid model of	



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	meetings for the public to attend in-person or virtually. Staff will be testing the technology in the coming weeks for returning to in-person board meetings.	
<b>G. Desert Regional Medical Center CEO Report</b>	<p>Linda Evans, Chief Strategy Officer, Desert Regional Medical Center (DRMC), Desert Care Network (DCN), provided the CEO report in Michelle Finney's absence. There's a slight increase in patients with COVID; 11 positives at DRMC, 1 at JFK Memorial, 1 at the continuing care facility, and Hi-Desert Medical Center has no cases. All facilities have plentiful PPE on hand, and vaccinations are continuous for employees and providers.</p> <p>A new physician advisor has been promoted within Tenet Health, focusing on regulatory compliance, efficient utilization of services, and documentation of integrity efforts. DRMC has improved the ability for more local recruitment of staff physicians' knowledgeable of the community with multiple hires and referral bonuses. A new diversity council is established with 13 employee volunteers to explore policies, practices, and educational opportunities for diversity and inclusion.</p> <p>Capital projects are ongoing, the removal of the palm trees is complete, and the replacement trees will begin</p>	



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	<p>over the weekend. The installation of the security system in labor and delivery is complete and a second CT scanner in the x-ray room is underway with completion in the coming months. The Pyxis and Omnicell automated pharmacy medication replacement system is near completion, and the cath labs are in the design phase, with construction commencing later in the year. The wireless network is being enhanced campus-wide, in Sinatra 4 and 5 DRMC is awaiting approval from Health Access and Information (HCAI), formerly OSHPD, for the isolation rooms, operating room lights replacement, and additional cameras in the parking garage, emergency department, and inside the facility. After an assessment from staff, EKG machines, transport monitors, ultrasounds, new sleep sofas and gliders in the labor and delivery area, high-frequency ventilators for the NICU, and other equipment are underway for replacement and add-on.</p> <p>DRMC completed a successful Riverside County STEMI survey, DCN has engagement sponsored and attended numerous events in the community, and an American flag unveiling at the Stergios building similar to the Pride flag in honor of Memorial Day.</p>	
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**DESERT HEALTHCARE DISTRICT  
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<p><b>H. Desert Regional Medical Center Governing Board</b></p>	<p>Director Rogers, RN, described the report on the status of the trauma center by the trauma center director. DRMC trauma covers a large area, such as the AZ and Mexico borders, with a comparable number of trauma patients as UCLA Medical Center. JFK Memorial is a level 1 trauma center licensed as level 2 in the coming months, and DRMC is a level 2 trauma center also soon advancing to a trauma 1. The successful Riverside County STEMI survey for acute heart attacks, as described by Mrs. Evans, is judged on several items, such as the time of arrival of the patient to the emergency room and time of treatment or surgery, which are important components. A report on the California Hospital Association accounted for 51% of hospitals in the nation operating in the red with a workforce dilemma labeled the great resignation with physicians and nurses retiring. 2.6M more nurses are needed over a 7–10-year recovery period related to the impact of COVID.</p>	
<p><b>I. Committee Meetings –</b></p> <p><b>I.1. Finance, Legal, Administration &amp; Real Estate</b></p> <p><b>1. Draft Meeting Minutes – May 10, 2022</b></p> <p><b>2. District &amp; RPP Investment Reports 1Q22 –</b></p>	<p>Director Shorr, Chair, F&amp;A Committee, described the low return on investments in the past and foreseeable future.</p>	

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<p><b>3. Consulting Services Agreement – Prest/Vuksic/Greenwood (Chris Mills) – Architectural/Engineering Services for Clinical Projects – Hourly NTE \$5,000</b></p>	<p>Chris Christensen, CAO, provided a brief overview of the architectural consulting services agreement for possible opportunities to enhance the Coachella Valley healthcare infrastructure.</p>	
<p><b>I.2. Program Committee</b></p> <p><b>1. Draft Meeting Minutes – May 10, 2022</b></p> <p><b>2. Grant Payment Schedule</b></p> <p><b>3. Grant applications and Request for Proposals submitted and under review</b></p> <p><b>4. Progress and Final Reports</b></p>	<p>Vice-President PerezGil, Chair, Program Committee, described the committee’s authorization of the \$60k grant to Voices for Children, Court Appointed Special Advocate (CASA) Program, which the board approved in the consent agenda.</p>	
<p><b>J. Old Business</b></p> <p><b>1. CV Link Q1 Progress Report</b></p> <p><b>a. CV Link FY2022 Invoice – \$1.67M</b></p>	<p>Erica Felci, Assistant Executive Director, Coachella Valley Association of Governments (CVAG), updated the board on the various groundbreaking ceremonies while also outlining the economic factors as requested by President Borja.</p>	
<p><b>K. Legal</b></p>	<p>There were no legal updates.</p>	
<p><b>L. Immediate Issues and Comments</b></p>	<p>Director De Lara described the Mecca Sports Park groundbreaking ceremony as a representative of the district, thanking Vice-President PerezGil, Director Zavala, and others that attended the event.</p> <p>Director Rogers, RN, summarized a link to the public</p>	



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	health association on a study about affordable housing proposing to expand and augment the homelessness and behavioral health initiatives by \$1M for both while describing her conversation with Linda Barrack, CEO, Martha's Village & Kitchen, and suggestions for a matching fund to offer to the entire community with potential donors. Director Rogers inquired about a consensus from the board to allow staff to report back at the June meeting. Further, Director Rogers explained the unspent grant funds during this fiscal year. President Borja directed staff to produce a recommendation to present at the June meeting.	
<b>M. Adjournment</b>	President Borja adjourned the meeting at 6:50 p.m.	<b>Audio recording available on the website at</b> <a href="http://dhcd.org/Agendas-and-Documents">http://dhcd.org/Agendas-and-Documents</a>

ATTEST: \_\_\_\_\_

Carmina Zavala, PsyD, Secretary  
Desert Healthcare District Board of Directors

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



**DESERT HEALTHCARE DISTRICT  
SPECIAL BOARD OF DIRECTORS MEETING MINUTES  
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<b>F. Report After Closed Session</b>	Counsel Scott reported that the Board conducted the annual evaluation of the CEO, and no action was taken.	
<b>G. Adjournment</b>	President Borja adjourned the meeting at 5:45 p.m.	<b>Audio recording available on the website at <a href="http://dhcd.org/Agendas-and-Documents">http://dhcd.org/Agendas-and-Documents</a></b>

ATTEST: \_\_\_\_\_  
Carmina Zavala, PsyD, Secretary  
Desert Healthcare District Board of Directors

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

<b>DESERT HEALTHCARE DISTRICT</b>
<b>MAY 2022 FINANCIAL STATEMENTS</b>
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DESERT HEALTHCARE DISTRICT				
YEAR TO DATE VARIANCE ANALYSIS				
ACTUAL VS BUDGET				
ELEVEN MONTHS ENDED MAY 31, 2022				
Scope: \$25,000 Variance per Statement of Operations Summary				
	YTD		Over(Under)	
Account	Actual	Budget	Budget	Explanation
4000 - Income	\$ 6,853,502	\$ 5,762,088	\$ 1,091,414	Lower interest income and market fluctuations (net) from FRF investments \$1,480k; higher property tax revenues \$2,601k; lower grant income \$30k
4500 - LPMP	\$ 1,221,988	\$ 1,170,070	\$ 51,918	Higher CAM revenue \$33k; higher rent revenue \$20k; lower misc income \$1k
4501 - Misc Income	\$ 183,250	\$ 8,250	\$ 175,000	Higher misc income \$175k from Coachella Valley Resource Conservation District for Mobile Medical Unit
5000 - Direct Expenses	\$ 1,078,132	\$ 1,397,301	\$ (319,169)	Lower wage related expenses \$158k due to open positions; lower education expense \$66k; lower board expenses \$51k; lower health insurance expense \$29k; lower workers comp expense \$10k; lower retirement expense \$5k
6000-General & Admin Expense	\$ 450,236	\$ 526,482	\$ (76,246)	Lower depreciation expense \$57k; higher bank and investment fees expense \$30k; lower supplies expense \$14k; lower travel expense \$12k; higher computer services expense \$5k; lower personnel expense \$10k; lower staff mileage reimbursement expense \$7k; lower postage expense \$3k; lower meals and entertainment expense \$3k; lower various \$5k
6445 - LPMP Expense	\$ 981,497	\$ 943,492	\$ 38,005	Higher plumbing expenses \$26k; higher depreciation expenses \$19k; higher marketing expense \$17k; lower interior building expense \$8k; lower deferred maintenance expense \$6k; lower lighting expense \$5k; higher security expense \$5k; lower bank charges \$4k; lower landscaping expense \$4k; higher rubbish removal expense \$4k; lower HVAC maintenance expense \$3k; lower various \$3k
6500 - Professional Fees Expense	\$ 724,148	\$ 1,142,900	\$ (418,752)	Lower Professional Services expense \$222k; lower legal expense \$120k; lower PR/Communications expense \$77k
7000 - Grants Expense	\$ 20,819	\$ 3,721,663	\$ (3,700,844)	Budget of \$4 Million for fiscal year is amortized straight-line over 12-month fiscal year. As of May 31, 2022, there is \$4 million remaining in the fiscal year grant budget as well as \$970,227 from FY21.



**Desert Healthcare District**  
**Profit & Loss Budget vs. Actual**  
July 2021 through May 2022

	MONTH			TOTAL		
	May 22	Budget	\$ Over Budget	Jul '21 - May 22	Budget	\$ Over Budget
<b>Income</b>						
4000 • Income	3,638,994	1,463,902	2,175,092	6,853,502	5,762,088	1,091,414
4500 • LPMP Income	115,525	106,370	9,155	1,221,988	1,170,070	51,918
4501 • Miscellaneous Income	750	750	0	183,250	8,250	175,000
<b>Total Income</b>	<b>3,755,269</b>	<b>1,571,022</b>	<b>2,184,247</b>	<b>8,258,740</b>	<b>6,940,408</b>	<b>1,318,332</b>
<b>Expense</b>						
5000 • Direct Expenses	105,987	118,477	(12,490)	1,078,132	1,397,301	(319,169)
6000 • General & Administrative Exp	56,725	47,862	8,863	450,236	526,482	(76,246)
6325 • CEO Discretionary Fund	11,358	2,083	9,275	18,368	22,913	(4,545)
6445 • LPMP Expenses	102,243	85,772	16,471	981,497	943,492	38,005
6500 • Professional Fees Expense	109,973	103,900	6,073	724,148	1,142,900	(418,752)
6600 • Mobile Medical Unit	0	3,125	(3,125)	0	34,375	(34,375)
6700 • Trust Expenses	7,958	8,792	(834)	103,132	96,712	6,420
<b>Total Expense Before Grants</b>	<b>394,244</b>	<b>370,011</b>	<b>24,233</b>	<b>3,355,512</b>	<b>4,164,195</b>	<b>(808,683)</b>
7000 • Grants Expense	0	338,333	(338,333)	20,819	3,721,663	(3,700,844)
<b>Net Income</b>	<b>3,361,025</b>	<b>862,678</b>	<b>2,498,347</b>	<b>4,882,409</b>	<b>(945,450)</b>	<b>5,827,859</b>

**Desert Healthcare District**  
**Profit & Loss Budget vs. Actual**  
July 2021 through May 2022

				MONTH			TOTAL		
				May 22	Budget	\$ Over Budget	Jul '21 - May 22	Budget	\$ Over Budget
<b>Income</b>									
4000 - Income									
	4010 - Property Tax Revenues			3,288,706	1,455,287	1,833,419	8,268,482	5,667,575	2,600,907
4200 - Interest Income									
	4220 - Interest Income (FRF)			106,223	80,907	25,316	736,601	889,977	(153,376)
	9999-1 - Unrealized gain(loss) on invest			242,065	(79,167)	321,232	(2,197,684)	(870,837)	(1,326,847)
	Total 4200 - Interest Income			348,288	1,740	346,548	(1,461,083)	19,140	(1,480,223)
	4300 - DHC Recoveries			2,000	1,875	125	21,636	20,373	1,263
	4400 - Grant Income			0	5,000	(5,000)	24,467	55,000	(30,533)
	Total 4000 - Income			3,638,994	1,463,902	2,175,092	6,853,502	5,762,088	1,091,414
	4500 - LPMP Income			115,525	106,370	9,155	1,221,988	1,170,070	51,918
	4501 - Miscellaneous Income			750	750	0	183,250	8,250	175,000
<b>Total Income</b>				<b>3,755,269</b>	<b>1,571,022</b>	<b>2,184,247</b>	<b>8,258,740</b>	<b>6,940,408</b>	<b>1,318,332</b>
<b>Expense</b>									
5000 - Direct Expenses									
5100 - Administration Expense									
	5110 - Wages Expense			96,137	113,108	(16,971)	1,021,171	1,338,242	(317,071)
	5111 - Allocation to LPMP - Payroll			(5,470)	(5,470)	0	(60,170)	(60,170)	0
	5112 - Vacation/Sick/Holiday Expense			5,493	10,833	(5,340)	147,872	119,163	28,709
	5114 - Allocation to Foundation			(30,321)	(31,823)	1,502	(304,396)	(350,053)	45,657
	5115 - Allocation to NEOPB			0	(7,413)	7,413	(23,131)	(81,543)	58,412
	5119 - Allocation-FED FUNDS/CVHIP-DHCF			(11,170)	(21,134)	9,964	(189,743)	(232,474)	42,731
	5120 - Payroll Tax Expense			7,788	9,252	(1,464)	84,960	101,772	(16,812)
5130 - Health Insurance Expense									
	5131 - Premiums Expense			16,555	17,658	(1,103)	183,948	194,238	(10,290)
	5135 - Reimb./Co-Payments Expense			2,797	3,000	(203)	14,513	33,000	(18,487)
	Total 5130 - Health Insurance Expense			19,352	20,658	(1,306)	198,461	227,238	(28,777)
	5140 - Workers Comp. Expense			385	1,270	(885)	4,245	13,970	(9,725)
	5145 - Retirement Plan Expense			7,792	8,994	(1,202)	94,048	98,934	(4,886)
	5160 - Education Expense			4,697	7,250	(2,553)	13,445	79,750	(66,305)
	Total 5100 - Administration Expense			94,683	105,525	(10,842)	986,762	1,254,829	(268,067)
5200 - Board Expenses									
	5210 - Healthcare Benefits Expense			1,100	5,834	(4,734)	45,020	64,174	(19,154)
	5230 - Meeting Expense			1,044	1,667	(623)	10,815	18,337	(7,522)
	5235 - Director Stipend Expense			8,610	4,410	4,200	30,555	48,510	(17,955)
	5240 - Catering Expense			550	833	(283)	4,612	9,163	(4,551)
	5250 - Mileage Reimbursement Expense			0	208	(208)	368	2,288	(1,920)
	Total 5200 - Board Expenses			11,304	12,952	(1,648)	91,370	142,472	(51,102)
<b>Total 5000 - Direct Expenses</b>				<b>105,987</b>	<b>118,477</b>	<b>(12,490)</b>	<b>1,078,132</b>	<b>1,397,301</b>	<b>(319,169)</b>

**Desert Healthcare District**  
**Profit & Loss Budget vs. Actual**  
July 2021 through May 2022

		MONTH			TOTAL		
		May 22	Budget	\$ Over Budget	Jul '21 - May 22	Budget	\$ Over Budget
	<b>6000 · General &amp; Administrative Exp</b>						
	6110 · Payroll fees Expense	181	208	(27)	1,975	2,288	(313)
	6120 · Bank and Investment Fees Exp	5,997	4,500	1,497	79,790	49,500	30,290
	6125 · Depreciation Expense	1,033	6,167	(5,134)	11,209	67,837	(56,628)
	6126 · Depreciation-Solar Parking lot	15,072	15,072	0	165,792	165,792	0
	6130 · Dues and Membership Expense	1,697	3,737	(2,040)	41,461	41,107	354
	6200 · Insurance Expense	2,855	2,667	188	31,705	29,337	2,368
	6300 · Minor Equipment Expense	0	42	(42)	0	462	(462)
	6305 · Auto Allowance & Mileage Exp	462	500	(38)	5,542	5,500	42
	6306 · Staff- Auto Mileage reimb	0	625	(625)	292	6,875	(6,583)
	6309 · Personnel Expense	857	1,167	(310)	3,083	12,837	(9,754)
	6310 · Miscellaneous Expense	0	42	(42)	0	462	(462)
	6311 · Cell Phone Expense	526	776	(250)	5,965	8,536	(2,571)
	6312 · Wellness Park Expenses	288	83	205	288	913	(625)
	6315 · Security Monitoring Expense	0	50	(50)	465	550	(85)
	6340 · Postage Expense	100	417	(317)	1,592	4,587	(2,995)
	6350 · Copier Rental/Fees Expense	377	500	(123)	4,283	5,500	(1,217)
	6351 · Travel Expense	2,207	1,667	540	6,690	18,337	(11,647)
	6352 · Meals & Entertainment Exp	548	875	(327)	6,142	9,625	(3,483)
	6355 · Computer Services Expense	20,702	3,875	16,827	47,371	42,625	4,746
	6360 · Supplies Expense	1,411	2,167	(756)	10,156	23,837	(13,681)
	6380 · LAFCO Assessment Expense	182	208	(26)	2,002	2,288	(286)
	6400 · East Valley Office	2,230	2,517	(287)	24,433	27,687	(3,254)
	<b>Total 6000 · General &amp; Administrative Exp</b>	<b>56,725</b>	<b>47,862</b>	<b>8,863</b>	<b>450,236</b>	<b>526,482</b>	<b>(76,246)</b>
	6325 · CEO Discretionary Fund	11,358	2,083	9,275	18,368	22,913	(4,545)
	6445 · LPMP Expenses	102,243	85,772	16,471	981,497	943,492	38,005
	<b>6500 · Professional Fees Expense</b>						
	6516 · Professional Services Expense	99,080	77,483	21,597	630,373	852,313	(221,940)
	6520 · Annual Audit Fee Expense	1,375	1,375	0	15,125	15,125	0
	6530 · PR/Communications/Website	0	8,042	(8,042)	11,115	88,462	(77,347)
	6560 · Legal Expense	9,518	17,000	(7,482)	67,535	187,000	(119,465)
	<b>Total 6500 · Professional Fees Expense</b>	<b>109,973</b>	<b>103,900</b>	<b>6,073</b>	<b>724,148</b>	<b>1,142,900</b>	<b>(418,752)</b>
	6600 · Mobile Medical Unit	0	3,125	(3,125)	0	34,375	(34,375)
	<b>6700 · Trust Expenses</b>						
	6720 · Pension Plans Expense						
	6721 · Legal Expense	0	167	(167)	2,075	1,837	238
	6725 · RPP Pension Expense	7,500	7,500	0	82,500	82,500	0
	6728 · Pension Audit Fee Expense	458	1,125	(667)	18,557	12,375	6,182
	<b>Total 6700 · Trust Expenses</b>	<b>7,958</b>	<b>8,792</b>	<b>(834)</b>	<b>103,132</b>	<b>96,712</b>	<b>6,420</b>
	<b>Total Expense Before Grants</b>	<b>394,244</b>	<b>370,011</b>	<b>24,233</b>	<b>3,355,512</b>	<b>4,164,195</b>	<b>(808,683)</b>
	<b>7000 · Grants Expense</b>						
	7010 · Major Grant Awards Expense	0	333,333	(333,333)	(3,648)	3,666,663	(3,670,311)
	7027 · Grant Exp - CalFresh	0	5,000	(5,000)	24,467	55,000	(30,533)
	<b>Total 7000 · Grants Expense</b>	<b>0</b>	<b>338,333</b>	<b>(338,333)</b>	<b>20,819</b>	<b>3,721,663</b>	<b>(3,700,844)</b>
	<b>Net Income</b>	<b>3,361,025</b>	<b>862,678</b>	<b>2,498,347</b>	<b>4,882,409</b>	<b>(945,450)</b>	<b>5,827,859</b>

**Las Palmas Medical Plaza**  
**Profit & Loss Budget vs. Actual**  
July 2021 through May 2022

		MONTH			TOTAL		
		May 22	Budget	\$ Over Budget	Jul '21 - May 22	Budget	\$ Over Budget
Income							
4500 · LPMP Income							
	4505 · Rental Income	82,493	75,162	7,331	846,617	826,782	19,835
	4510 · CAM Income	33,032	31,125	1,907	375,371	342,375	32,996
	4513 · Misc. Income	0	83	(83)	0	913	(913)
Total 4500 · LPMP Income		115,525	106,370	9,155	1,221,988	1,170,070	51,918
Expense							
6445 · LPMP Expenses							
	6420 · Insurance Expense	3,114	2,917	197	34,254	32,087	2,167
	6425 · Building - Depreciation Expense	24,170	21,462	2,708	243,134	236,082	7,052
	6426 · Tenant Improvements -Dep Exp	19,692	16,667	3,025	195,340	183,337	12,003
	6427 · HVAC Maintenance Expense	1,759	1,333	426	11,615	14,663	(3,048)
	6428 · Roof Repairs Expense	0	208	(208)	0	2,288	(2,288)
	6431 · Building -Interior Expense	0	833	(833)	1,000	9,163	(8,163)
	6432 · Plumbing -Interior Expense	9,400	542	8,858	33,812	5,962	27,850
	6433 · Plumbing -Exterior Expense	0	208	(208)	0	2,288	(2,288)
	6434 · Allocation Internal Prop. Mgmt	5,470	5,470	0	60,170	60,170	0
	6435 · Bank Charges	31	417	(386)	313	4,587	(4,274)
	6437 · Utilities -Vacant Units Expense	(2,769)	183	(2,952)	1,173	2,013	(840)
	6439 · Deferred Maintenance Repairs Ex	0	1,250	(1,250)	7,746	13,750	(6,004)
	6440 · Professional Fees Expense	11,150	10,825	325	119,400	119,075	325
	6441 · Legal Expense	0	83	(83)	0	913	(913)
	6458 · Elevators - R & M Expense	236	1,000	(764)	12,156	11,000	1,156
	6460 · Exterminating Service Expense	1,775	333	1,442	4,225	3,663	562
	6463 · Landscaping Expense	0	1,000	(1,000)	7,294	11,000	(3,706)
	6467 · Lighting Expense	0	500	(500)	0	5,500	(5,500)
	6468 · General Maintenance Expense	0	83	(83)	0	913	(913)
	6471 · Marketing-Advertising	5,791	1,000	4,791	27,602	11,000	16,602
	6475 · Property Taxes Expense	6,250	6,250	0	68,750	68,750	0
	6476 · Signage Expense	0	125	(125)	553	1,375	(822)
	6480 · Rubbish Removal Medical Waste E	1,302	1,583	(281)	16,120	17,413	(1,293)
	6481 · Rubbish Removal Expense	3,058	2,250	808	28,988	24,750	4,238
	6482 · Utilities/Electricity/Exterior	522	625	(103)	6,274	6,875	(601)
	6484 · Utilties - Water (Exterior)	667	625	42	9,335	6,875	2,460
	6485 · Security Expenses	10,625	7,833	2,792	90,999	86,163	4,836
	6490 · Miscellaneous Expense	0	167	(167)	1,244	1,837	(593)
6445 · LPMP Expenses		102,243	85,772	16,471	981,497	943,492	38,005
Net Income		13,282	20,598	(7,316)	240,491	226,578	13,913

**Desert Healthcare District**  
**Balance Sheet Previous Year Comparison**  
As of May 31, 2022

				May 31, 22	May 31, 21
<b>ASSETS</b>					
	<b>Current Assets</b>				
	<b>Checking/Savings</b>				
		<b>1000 · CHECKING CASH ACCOUNTS</b>		4,704,519	2,589,883
		<b>1100 · INVESTMENT ACCOUNTS</b>		62,860,609	61,651,373
		<b>Total Checking/Savings</b>		67,565,128	64,241,256
		<b>Total Accounts Receivable</b>		314,180	70,880
	<b>Other Current Assets</b>				
		<b>1204.1 · Rent Receivable-Deferred COVID</b>		101,562	161,473
		<b>1270 · Prepaid Insurance -Ongoing</b>		9,594	8,668
		<b>1279 · Pre-Paid Fees</b>		9,907	5,652
		<b>1281 · CalFresh Receivable</b>		0	7,076
		<b>1295 · Property Tax Receivable</b>		0	9,138
		<b>Total Other Current Assets</b>		121,063	192,007
		<b>Total Current Assets</b>		68,000,371	64,504,143
	<b>Fixed Assets</b>				
		<b>1300 · FIXED ASSETS</b>		4,933,929	4,913,920
		<b>1335-00 · ACC DEPR</b>		(2,350,843)	(2,220,325)
		<b>1400 · LPMP Assets</b>		7,136,371	7,075,069
		<b>Total Fixed Assets</b>		9,719,457	9,768,664
	<b>Other Assets</b>				
		<b>1700 · OTHER ASSETS</b>		3,912,720	2,909,152
	<b>TOTAL ASSETS</b>			<b>81,632,548</b>	<b>77,181,959</b>

**Desert Healthcare District**  
**Balance Sheet Previous Year Comparison**  
As of May 31, 2022

					May 31, 22	May 31, 21
<b>LIABILITIES &amp; EQUITY</b>						
	<b>Liabilities</b>					
	<b>Current Liabilities</b>					
	<b>Accounts Payable</b>					
		2000 · Accounts Payable			117,122	1,774,431
		2001 · LPMP Accounts Payable			8,113	4,852
		<b>Total Accounts Payable</b>			<b>125,235</b>	<b>1,779,283</b>
	<b>Other Current Liabilities</b>					
		2002 · LPMP Property Taxes			(6,018)	(5,950)
		2003 · Prepaid Rents			3,123	0
		2131 · Grant Awards Payable			3,240,728	1,203,389
		2133 · Accrued Accounts Payable			139,550	139,550
		2141 · Accrued Vacation Time			82,162	83,867
		2188 · Current Portion - LTD			1,234	1,234
		2190 · Investment Fees Payable			9,013	21,284
		<b>Total Other Current Liabilities</b>			<b>3,469,792</b>	<b>1,443,374</b>
		<b>Total Current Liabilities</b>			<b>3,595,027</b>	<b>3,222,657</b>
	<b>Long Term Liabilities</b>					
		2170 · RPP - Pension Liability			0	4,686,754
		2171 · RPP-Deferred Inflows-Resources			675,732	370,700
		2280 · Long-Term Disability			16,281	28,809
		2281 · Grants Payable - Long-term			4,990,000	6,660,000
		2286 · Retirement BOD Medical Liabilit			0	46,729
		2290 · LPMP Security Deposits			64,151	52,520
		<b>Total Long Term Liabilities</b>			<b>5,746,164</b>	<b>11,845,512</b>
		<b>Total Liabilities</b>			<b>9,341,191</b>	<b>15,068,169</b>
	<b>Equity</b>					
		3900 · *Retained Earnings			67,408,928	59,913,158
		Net Income			4,882,409	2,200,632
		<b>Total Equity</b>			<b>72,291,337</b>	<b>62,113,790</b>
		<b>TOTAL LIABILITIES &amp; EQUITY</b>			<b>81,632,548</b>	<b>77,181,959</b>

**Desert Healthcare District**  
**Balance Sheet Previous Year Comparison**  
As of May 31, 2022

				May 31, 22	May 31, 21
<b>ASSETS</b>					
	<b>Current Assets</b>				
	<b>Checking/Savings</b>				
	<b>1000 · CHECKING CASH ACCOUNTS</b>				
		1010 · Union Bank - Checking		51,585	2,505,017
		1012 · Union Bank Operating - 9356		4,440,214	0
		1046 · Las Palmas Medical Plaza		212,220	84,366
		1047 · Petty Cash		500	500
		<b>Total 1000 · CHECKING CASH ACCOUNTS</b>		<b>4,704,519</b>	<b>2,589,883</b>
	<b>1100 · INVESTMENT ACCOUNTS</b>				
		1130 · Facility Replacement Fund		64,373,846	60,878,595
		1135 · Unrealized Gain(Loss) FRF		(1,513,237)	772,778
		<b>Total 1100 · INVESTMENT ACCOUNTS</b>		<b>62,860,609</b>	<b>61,651,373</b>
		<b>Total Checking/Savings</b>		<b>67,565,128</b>	<b>64,241,256</b>
	<b>Accounts Receivable</b>				
		<b>1201 · Accounts Receivable</b>			
		1204 · LPMP Accounts Receivable		(7,965)	(5,051)
		1205 · Misc. Accounts Receivable		175,000	1,500
		1211 · A-R Foundation - Exp Allocation		147,145	74,431
		<b>Total Accounts Receivable</b>		<b>314,180</b>	<b>70,880</b>
	<b>Other Current Assets</b>				
		1204.1 · Rent Receivable-Deferred COVID		101,562	161,473
		1270 · Prepaid Insurance -Ongoing		9,594	8,668
		1279 · Pre-Paid Fees		9,907	5,652
		1281 · CalFresh Receivable		0	7,076
		1295 · Property Tax Receivable		0	9,138
		<b>Total Other Current Assets</b>		<b>121,063</b>	<b>192,007</b>
		<b>Total Current Assets</b>		<b>68,000,371</b>	<b>64,504,143</b>
	<b>Fixed Assets</b>				
	<b>1300 · FIXED ASSETS</b>				
		1310 · Computer Equipment		91,275	94,790
		1315 · Computer Software		0	68,770
		1320 · Furniture and Fixtures		33,254	33,254
		1321 · Mobile Medical Unit		59,500	0
		1322 · Tenant Improvement - RAP #G100		32,794	0
		1325 · Offsite Improvements		300,849	300,849
		1331 · DRMC - Parking lot		4,416,257	4,416,257

**Desert Healthcare District**  
**Balance Sheet Previous Year Comparison**  
As of May 31, 2022

			May 31, 22	May 31, 21
		<b>Total 1300 · FIXED ASSETS</b>	4,933,929	4,913,920
		<b>1335-00 · ACC DEPR</b>		
		1335 · Accumulated Depreciation	(218,472)	(222,597)
		1336 · Acc. Software Depreciation	0	(68,770)
		1337 · Accum Deprec- Solar Parking Lot	(1,944,459)	(1,763,595)
		1338 · Accum Deprec - LPMP Parking Lot	(187,912)	(165,363)
		<b>Total 1335-00 · ACC DEPR</b>	<b>(2,350,843)</b>	<b>(2,220,325)</b>
		<b>1400 · LPMP Assets</b>		
		1401 · Building	8,705,680	8,705,680
		1402 · Land	2,165,300	2,165,300
		1403 · Tenant Improvements -New	2,271,406	2,187,796
		1404 · Tenant Improvements - CIP	129,550	129,550
		1406 · Building Improvements		
		1406.1 · LPMP-Replace Parking Lot	676,484	676,484
		1406.2 · Building Improvements-CIP	344,141	566,146
		1406 · Building Improvements - Other	2,154,512	1,581,558
		<b>Total 1406 · Building Improvements</b>	<b>3,175,137</b>	<b>2,824,188</b>
		1407 · Building Equipment Improvements	434,526	375,185
		1409 · Accumulated Depreciation		
		1410 · Accum. Depreciation	(7,851,883)	(7,624,664)
		1412 · T I Accumulated Dep.-New	(1,893,345)	(1,687,966)
		<b>Total 1409 · Accumulated Depreciation</b>	<b>(9,745,228)</b>	<b>(9,312,630)</b>
		<b>Total 1400 · LPMP Assets</b>	<b>7,136,371</b>	<b>7,075,069</b>
		<b>Total Fixed Assets</b>	<b>9,719,457</b>	<b>9,768,664</b>
		<b>Other Assets</b>		
		<b>1700 · OTHER ASSETS</b>		
		1731 · Wellness Park	1,693,800	1,693,800
		1740 · RPP-Deferred Outflows-Resources	494,388	1,204,238
		1741 · OPEB-Deferred Outflows-Resourc	0	11,114
		1742 · RPP - Net Pension Asset	1,724,532	0
		<b>Total Other Assets</b>	<b>3,912,720</b>	<b>2,909,152</b>
		<b>TOTAL ASSETS</b>	<b>81,632,548</b>	<b>77,181,959</b>



**Desert Healthcare District**  
**Balance Sheet Previous Year Comparison**  
As of May 31, 2022

					May 31, 22	May 31, 21
<b>LIABILITIES &amp; EQUITY</b>						
	<b>Liabilities</b>					
	<b>Current Liabilities</b>					
	<b>Accounts Payable</b>					
		2000 · Accounts Payable			117,122	1,774,431
		2001 · LPMP Accounts Payable			8,113	4,852
		<b>Total Accounts Payable</b>			125,235	1,779,283
	<b>Other Current Liabilities</b>					
		2002 · LPMP Property Taxes			(6,018)	(5,950)
		2003 · Prepaid Rents			3,123	0
		2131 · Grant Awards Payable			3,240,728	1,203,389
		2133 · Accrued Accounts Payable			139,550	139,550
		2141 · Accrued Vacation Time			82,162	83,867
		2188 · Current Portion - LTD			1,234	1,234
		2190 · Investment Fees Payable			9,013	21,284
		<b>Total Other Current Liabilities</b>			3,469,792	1,443,374
		<b>Total Current Liabilities</b>			3,595,027	3,222,657
	<b>Long Term Liabilities</b>					
		2170 · RPP - Pension Liability			0	4,686,754
		2171 · RPP-Deferred Inflows-Resources			675,732	370,700
		2280 · Long-Term Disability			16,281	28,809
		2281 · Grants Payable - Long-term			4,990,000	6,660,000
		2286 · Retirement BOD Medical Liabilit			0	46,729
		2290 · LPMP Security Deposits			64,151	52,520
		<b>Total Long Term Liabilities</b>			5,746,164	11,845,512
	<b>Total Liabilities</b>				9,341,191	15,068,169
	<b>Equity</b>					
		3900 · *Retained Earnings			67,408,928	59,913,158
		Net Income			4,882,409	2,200,632
	<b>Total Equity</b>				72,291,337	62,113,790
	<b>TOTAL LIABILITIES &amp; EQUITY</b>				<b>81,632,548</b>	<b>77,181,959</b>

**Desert Healthcare District**  
**A/R Aging Summary**  
As of May 31, 2022

	<b>Current</b>	<b>1 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>&gt; 90</b>	<b>TOTAL</b>	<b>COMMENT</b>
CV Resource Conservation District	0	0	0	175,000	0	175,000	Mobile Medical Unit
Derakhsh Fozouni, M.D.	0	0	1,737	0	0	1,737	Slow pay
Desert Family Medical Center	0	0	3,835	0	0	3,835	Slow pay
Desert Healthcare Foundation-	41,491	(1,608)	40,878	27,201	39,183	147,145	Due from Foundation
Laboratory Corporation of America	(5,013)	(1,671)	0	0	0	(6,684)	Prepaid
Pathway Pharmaceuticals, Inc.	0	0	734	0	0	734	Received in June
Peter Jamieson, M.D.	(3,338)	0	835	0	0	(2,503)	Prepaid
Quest Diagnostics Incorporated	0	(4,154)	0	0	0	(4,154)	Prepaid
Ramy Awad, M.D.	0	3,494	1,202	0	0	4,696	Received in June
Steven Gundry, M.D.	(5,625)	0	0	0	0	(5,625)	Prepaid
<b>TOTAL</b>	<b>27,515</b>	<b>(3,939)</b>	<b>49,221</b>	<b>202,201</b>	<b>39,183</b>	<b>314,181</b>	

**Desert Healthcare District**  
**Deposit Detail**  
May 2022

Type	Date	Name	Amount
<b>Deposit</b>	<b>05/03/2022</b>		<b>2,000</b>
		T-Mobile	(2,000)
TOTAL			(2,000)
<b>Deposit</b>	<b>05/04/2022</b>		<b>530</b>
Payment	05/04/2022	Leticia De Lara - Director Premium Reimbursement	(530)
TOTAL			(530)
<b>Deposit</b>	<b>05/11/2022</b>		<b>71,414</b>
		Riverside County Treasurer - Property Tax	(71,414)
TOTAL			(71,414)
<b>Deposit</b>	<b>05/20/2022</b>		<b>13,971</b>
		Riverside County Treasurer - Property Tax	(13,971)
TOTAL			(13,971)
<b>Deposit</b>	<b>05/26/2022</b>		<b>1,343,425</b>
		Riverside County Treasurer - Property Tax	(1,343,425)
TOTAL			(1,343,425)
<b>Deposit</b>	<b>05/31/2022</b>		<b>1,859,896</b>
		Riverside County Treasurer - Property Tax	(1,859,896)
TOTAL			(1,859,896)
<b>Deposit</b>	<b>05/31/2022</b>		<b>750</b>
Payment	05/31/2022	Sovereign	(750)
TOTAL			(750)
		<b>TOTAL</b>	<b>3,291,986</b>

DESERT HEALTHCARE DISTRICT										
PROPERTY TAX RECEIPTS FY 2021 - 2022										
RECEIPTS - ELEVEN MONTHS ENDED MAY 31, 2022										
	FY 2020-2021 Projected/Actual						FY 2021-2022 Projected/Actual			
	Budget %	Budget \$	Act %	Actual Receipts	Variance		Receipts %	Receipts \$	Act %	Actual Receipts
										Variance
July	2.5%	\$ 154,934	0.0%	\$ -	\$ (154,934)		2.5%	\$ 182,825	2.2%	\$ 162,345
Aug	1.6%	\$ 99,158	1.9%	\$ 149,547	\$ 50,390		1.6%	\$ 117,008	0.2%	\$ 11,529
Sep	2.6%	\$ 161,131	0.0%	\$ -	\$ (161,131)		0.0%	\$ -	0.0%	\$ -
Oct	0.0%	\$ -	2.1%	\$ 162,968	\$ 162,968		2.6%	\$ 190,138	0.0%	\$ 130
Nov	0.4%	\$ 24,789	0.0%	\$ -	\$ (24,789)		0.4%	\$ 29,252	2.5%	\$ 181,286
Dec	16.9%	\$ 1,047,354	16.4%	\$ 1,279,429	\$ 232,075		16.9%	\$ 1,235,897	18.3%	\$ 1,337,681
Jan	31.9%	\$ 1,976,959	33.4%	\$ 2,596,795	\$ 619,836		31.9%	\$ 2,332,847	37.8%	\$ 2,763,324
Feb	0.0%	\$ -	1.2%	\$ 94,294	\$ 94,294		0.0%	\$ -	2.5%	\$ 180,240
Mar	0.3%	\$ 18,592	0.2%	\$ 18,789	\$ 196		0.3%	\$ 21,939	0.5%	\$ 35,819
Apr	5.5%	\$ 340,855	5.4%	\$ 422,690	\$ 81,835		5.5%	\$ 402,215	6.1%	\$ 443,891
May	19.9%	\$ 1,233,275	18.1%	\$ 1,411,155	\$ 177,880		19.9%	\$ 1,455,287	45.0%	\$ 3,288,706
June	18.4%	\$ 1,140,315	21.2%	\$ 1,647,263	\$ 506,948		18.4%	\$ 1,345,592	0.0%	
Total	100%	\$ 6,197,363	100.0%	\$ 7,782,929	\$ 1,585,566		100.00%	\$ 7,313,000	114.9%	\$ 8,404,951

**Las Palmas Medical Plaza**  
**Deposit Detail - LPMP**  
**May 2022**

Type	Date	Name	Amount
<b>Deposit</b>	<b>05/02/2022</b>		<b>21,261</b>
Payment	05/02/2022	Desert Oasis Healthcare	(2,499)
Payment	05/02/2022	Hassan Bencheqroun, M.D.	(2,771)
Payment	05/02/2022	EyeCare Services Partners Management LLC	(1,909)
Payment	05/02/2022	EyeCare Services Partners Management LLC	(7,552)
Payment	05/02/2022	Laboratory Corporation of America	(1,518)
Payment	05/02/2022	Laboratory Corporation of America	(5,013)
<b>TOTAL</b>			<b>(21,262)</b>
<b>Deposit</b>	<b>05/05/2022</b>		<b>4,856</b>
Payment	05/05/2022	Desert Family Medical Center	(1,021)
Payment	05/05/2022	Desert Family Medical Center	(3,835)
<b>TOTAL</b>			<b>(4,856)</b>
<b>Deposit</b>	<b>05/06/2022</b>		<b>7,194</b>
Payment	05/06/2022	Palmtree Clinical Research	(7,194)
<b>TOTAL</b>			<b>(7,194)</b>
<b>Deposit</b>	<b>05/09/2022</b>		<b>9,943</b>
Payment	05/06/2022	Cure Cardiovascular Consultants	(3,205)
Payment	05/06/2022	Aijaz Hashmi, M.D., Inc.	(3,037)
Payment	05/06/2022	Brad A. Wolfson, M.D.	(3,701)
<b>TOTAL</b>			<b>(9,943)</b>
<b>Deposit</b>	<b>05/12/2022</b>		<b>2,471</b>
Payment	05/12/2022	Pathway Pharmaceuticals, Inc.	(2,471)
<b>TOTAL</b>			<b>(2,471)</b>
<b>Deposit</b>	<b>05/12/2022</b>		<b>11,116</b>
Payment	05/12/2022	Derakhsh Fozouni, M.D.	(6,414)
Payment	05/11/2022	Cohen Musch Thomas Medical Group	(4,703)
<b>TOTAL</b>			<b>(11,117)</b>

**Las Palmas Medical Plaza**  
**Deposit Detail - LPMP**  
**May 2022**

Type	Date	Name	Amount
<b>Deposit</b>	<b>05/16/2022</b>		<b>4,123</b>
Payment	05/16/2022	Global Premier Fertility	(4,123)
TOTAL			(4,123)
<b>Deposit</b>	<b>05/17/2022</b>		<b>6,246</b>
		Coachella Valley Volunteers in Medicine-	(3,123)
		Coachella Valley Volunteers in Medicine-	(3,123)
TOTAL			(6,246)
<b>Deposit</b>	<b>05/23/2022</b>		<b>1,174</b>
Payment	05/23/2022	Quest Diagnostics Incorporated	(1,174)
TOTAL			(1,174)
<b>Deposit</b>	<b>05/26/2022</b>		<b>4,154</b>
Payment	05/26/2022	Quest Diagnostics Incorporated	(4,154)
TOTAL			(4,154)
<b>Deposit</b>	<b>05/31/2022</b>		<b>72,184</b>
Payment	05/31/2022	Peter Jamieson, M.D.	(3,338)
Payment	05/31/2022	Desert Regional Medical Center	(5,690)
Payment	05/31/2022	Tenet HealthSystem Desert, Inc	(6,494)
Payment	05/31/2022	Tenet HealthSystem Desert, Inc.	(33,683)
Payment	05/31/2022	Laboratory Corporation of America	(5,013)
Payment	05/31/2022	Steven Gundry, M.D.	(5,625)
Payment	05/31/2022	Peter Jamieson, M.D.	(3,338)
Payment	05/31/2022	Hassan Bencheqroun, M.D.	(9,002)
TOTAL			(72,183)
		<b>TOTAL</b>	<b>144,722</b>

**Desert Healthcare District**  
**Check Register**  
As of May 31, 2022

Type	Date	Num	Name	Amount
<b>1000 - CHECKING CASH ACCOUNTS</b>				
<b>1012 - Union Bank Operating - 9356</b>				
Bill Pmt -Check	05/02/2022	1100	So.Cal Computer Shop	(810)
Bill Pmt -Check	05/02/2022	1101	Verizon Wireless	(619)
Bill Pmt -Check	05/04/2022	1102	Evet PerezGil - Stipend	(420)
Bill Pmt -Check	05/09/2022	1103	First Bankcard (Union Bank)	(4,009)
Bill Pmt -Check	05/09/2022	1104	Rogers, Carole - Stipend & Expense Reimbursement	(1,108)
Bill Pmt -Check	05/09/2022	1105	Staples Credit Plan	(604)
Bill Pmt -Check	05/09/2022	1106	Carmina Zavala - Stipend	(420)
Bill Pmt -Check	05/09/2022	1107	First Bankcard (Union Bank)	(11,632)
Bill Pmt -Check	05/09/2022	1108	Greater Coachella Valley Chamber of Commerce	(310)
Bill Pmt -Check	05/09/2022	1109	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	05/09/2022	1110	Xerox Financial Services	(377)
Check	05/09/2022	Auto Pay	Calif. Public Employees'Retirement System	(14,022)
Bill Pmt -Check	05/12/2022	1111	Angel View Inc. - Grant Payment	(34,555)
Bill Pmt -Check	05/12/2022	1112	California Consulting	(5,100)
Bill Pmt -Check	05/12/2022	1113	Desert Arc - Grant Payment	(46,233)
Bill Pmt -Check	05/12/2022	1114	Swarat Signs	(288)
Bill Pmt -Check	05/12/2022	1115	Time Warner Cable	(267)
Liability Check	05/13/2022		QuickBooks Payroll Service	(50,223)
Bill Pmt -Check	05/13/2022	ACH 051322	Law Offices of Scott & Jackson	(6,480)
Bill Pmt -Check	05/16/2022	1116	Magdalena Martinez - HR Consulting Services	(1,800)
Bill Pmt -Check	05/16/2022	1117	Purchase Power	(100)
Bill Pmt -Check	05/17/2022	1118	Donna Den Bleyker - Expense Reimbursement	(1,339)
Bill Pmt -Check	05/17/2022	1119	Regional Access Project Foundation	(230)
Bill Pmt -Check	05/17/2022	1120	CoPower Employers' Benefits Alliance	(1,719)
Bill Pmt -Check	05/17/2022	1121	State Compensation Insurance Fund	(385)
Bill Pmt -Check	05/18/2022	ACH 051822	Law Offices of Scott & Jackson	(9,518)
Bill Pmt -Check	05/18/2022	1122	Regional Access Project Foundation	(2,000)
Bill Pmt -Check	05/18/2022	1123	Principal Life Insurance Co.	(1,915)
Bill Pmt -Check	05/25/2022	1124	Arthur Shorr - Stipend	(1,050)
Bill Pmt -Check	05/25/2022	1125	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	05/25/2022	1126	Martha's Village & Kitchen - Grant Payment	(21,091)
Bill Pmt -Check	05/25/2022	1127	Mizell Senior Center - Grant Payment	(10,000)
Bill Pmt -Check	05/25/2022	1128	National Demographic Corporation	(9,250)
Bill Pmt -Check	05/25/2022	1129	Ready Refresh	(50)
Check	05/25/2022		Bank Service Charge	(997)
Liability Check	05/27/2022		QuickBooks Payroll Service	(49,619)
<b>TOTAL</b>				<b>(289,070)</b>

Desert Healthcare District									
Details for Credit Card Expenditures									
Credit card purchases - April 2022 - Paid May 2022									
Number of credit cards held by District personnel -2									
Credit Card Limit - \$25,000 - Conrado, \$20,000 - Chris									
Credit Card Holders:									
Conrado Bárzaga - Chief Executive Officer									
Chris Christensen - Chief Administration Officer									
Routine types of charges:									
Office Supplies, Dues for membership, Computer Supplies, Meals, Travel including airlines and Hotels, Catering, Supplies for BOD meetings, CEO Discretionary for small grant & gift items									
	Statement								
	Month	Total		Expense					
Year	Charged	Charges		Type	Amount	Purpose	Description	Participants	
		\$ 15,640.44							
Chris' Statement:									
2022	April	\$ 4,008.94		District					
				GL	Dollar	Description			
				6355	\$ 26.62	Premiere Global Services			
				6309	\$ 325.00	Indeed - Advertising for open positions			
				5160	\$ 2,400.00	Grantmakers In Health Annual Conference (June 2022) - Conrado Barzaga, Donna Craig, Alejandro Espinoza			
				5230	\$ 414.82	Palm Springs Life - Women Who Lead 2022 - President Borja, Vice-President PerezGil, Director De Lara, Director Rogers			
				5160	\$ 622.24	Palm Springs Life - Women Who Lead 2022 - Conrado Barzaga +1, Donna Craig, Alejandro Espinoza, Will Dean, Andrea Hayles			
				6360	\$ 146.26	Zoom Videoconference/Webinar Expense			
				6352	\$ 74.00	Nespresso - Coffee pods for office			
					\$ 4,008.94				
Conrado's Statement:									
2022	April	\$ 11,631.50							
				District					
				GL	Dollar	Description			
				6351	\$ 327.96	Southwest Airlines - ACHD Advocacy Committee Meeting - Conrado Barzaga			
				6325	\$ 9,500.00	United Way of the Desert Donation	CEO Discretionary Fund		
				6355	\$ 60.00	Grammarly quarterly plan			
				5230	\$ 500.00	DAP Humanitarian Awards - Director Zavala			
				5160	\$ 1,000.00	DAP Humanitarian Awards -Alejandro Espinoza +1			
				6352	\$ 40.25	Casa De Silvia Meeting - President Borja & Conrado Barzaga			
				5230	\$ 50.00	2022 Coachella Valley Business Conference - Director Rogers			
				5230	\$ 79.54	Harvey Milk Diversity Breakfast - Les Zendle			
				6351	\$ 48.75	CMT Sacramento for American Cab - Conrado Barzaga			
				5240	\$ 25.00	Uber Eats - 04/26/22 Board Meeting Food			
					\$ 11,631.50				



**Las Palmas Medical Plaza  
Check Register - LPMP  
As of May 31, 2022**

Type	Date	Num	Name	Amount
<b>1000 - CHECKING CASH ACCOUNTS</b>				
<b>1046 - Las Palmas Medical Plaza</b>				
Bill Pmt -Check	05/02/2022	10545	Desert Water Agency	(790)
Bill Pmt -Check	05/04/2022	10546	Imperial Security	(2,125)
Bill Pmt -Check	05/04/2022	10547	Palm Springs Disposal Services Inc	(3,058)
Bill Pmt -Check	05/04/2022	10548	Stericycle, Inc.	(1,298)
Bill Pmt -Check	05/09/2022	10549	Desert Air Conditioning Inc.	(625)
Bill Pmt -Check	05/09/2022	10550	Frazier Pest Control, Inc.	(275)
Bill Pmt -Check	05/09/2022	10551	Terminix	(1,500)
Bill Pmt -Check	05/12/2022	10552	Southern California Edison	(508)
Bill Pmt -Check	05/16/2022	10553	Best Signs, Inc.	(11,316)
Check	05/16/2022		Bank Service Charge	(435)
Bill Pmt -Check	05/17/2022	10554	Imperial Security	(2,125)
Bill Pmt -Check	05/17/2022	10555	Frontier Communications	(236)
Bill Pmt -Check	05/17/2022	10556	Imperial Security	(2,125)
Bill Pmt -Check	05/25/2022	10557	Coldwell Banker Commercial Lyle & Assoc.	(5,791)
Bill Pmt -Check	05/25/2022	10558	Desert Air Conditioning Inc.	(172)
Bill Pmt -Check	05/25/2022	10559	Imperial Security	(2,125)
Bill Pmt -Check	05/26/2022	10560	Imperial Security	(2,125)
Bill Pmt -Check	05/26/2022	10561	INPRO Environmental Management Services	(20,550)
<b>TOTAL</b>				<b>(57,179)</b>



## MEMORANDUM

DATE: June 14, 2022

TO: F&A Committee

RE: Retirement Protection Plan (RPP)

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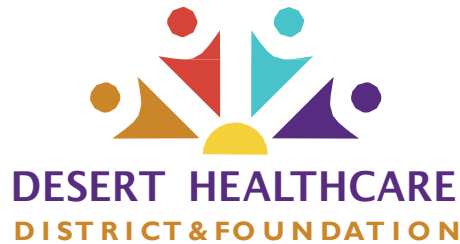
Current number of participants in Plan:

	<u>April</u>	<u>May</u>
Active – still employed by hospital	84	84
Vested – no longer employed by hospital	55	55
Former employees receiving annuity	<u>7</u>	<u>7</u>
Total	<u>146</u>	<u>146</u>

The outstanding liability for the RPP is approximately **\$3.4M** (Actives - \$2.1M and Vested - \$1.3M). US Bank investment account balance \$5.1M. Per the June 30, 2021, Actuarial Valuation, the RPP has an Overfunded Pension Asset of approximately **\$1.8M**.

The payouts, excluding monthly annuity payments, made from the Plan for the eleven (11) months ended May 31, 2022, totaled **\$192K**. Monthly annuity payments (7 participants) total **\$1.0K** per month.

DESERT HEALTHCARE DISTRICT								
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE								
May 31, 2022								
TWELVE MONTHS ENDING JUNE 30, 2022								
			Approved	6/30/2021	Current Yr	Total Paid Prior Yrs	Total Paid Current Yr	Open
Grant ID Nos.		Name	Grants - Prior Yrs	Bal Fwd	2021-2022	July-June	July-June	BALANCE
2014-MOU-BOD-11/21/13		Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 6,660,000		\$ -		\$ 6,660,000
2019-994-BOD-05-28-19		One Future Coachella Valley - Mental Health College & Career Pathway Development - 2 Yrs.	\$ 700,000	\$ 148,750		\$ 148,750		\$ -
2020-1085-BOD-05-26-20		Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.	\$ 50,000	\$ 5,000		\$ 5,000		\$ -
2020-1057-BOD-05-26-20		Desert Cancer Foundation - Patient Assistance Program - 1 Yr.	\$ 150,000	\$ 15,000		\$ 15,000		\$ -
2020-1139-BOD-09-22-20		CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.	\$ 50,000	\$ 5,000		\$ -		\$ 5,000
2020-1135-BOD-11-24-20		Hope Through Housing Foundation - Family Resilience - 1 Yr.	\$ 20,000	\$ 2,000		\$ 1,098		\$ 902
		Unexpended funds Grant #1135						\$ (902)
2020-1149-BOD-12-15-20		Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 40,000	\$ 22,000		\$ 22,000		\$ -
2021-1136-BOD-01-26-21		Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr.	\$ 119,432	\$ 65,688		\$ 53,744		\$ 11,944
2021-1147-BOD-01-26-21		Alzheimer's Association - Critical Program Support - 1 Yr.	\$ 33,264	\$ 18,295		\$ 18,295		\$ -
2021-1162-BOD-01-26-21		Joslyn Center - Wellness Center Program Support - 1 Yr.	\$ 109,130	\$ 60,022		\$ 60,022		\$ -
2021-1170-BOD-02-23-21		Jewish Family Services - Mental Health Counseling for Underserved Residents - 1 Yr.	\$ 80,000	\$ 44,000		\$ 44,000		\$ -
2021-1141-BOD-03-23-21		Martha's Village & Kitchen - Homeless Housing With Wrap Around Services - 1 Yr.	\$ 210,905	\$ 115,998		\$ 115,998		\$ -
2021-1171-BOD-03-23-21		Blood Bank of San Bernardino/Riverside Counties - Bloodmobiles for Coachella Valley - 18 Months	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000
2021-1174-BOD-03-23-21		Mizell Center - Geriatric Case Management Program 1 Yr.	\$ 100,000	\$ 55,000		\$ 55,000		\$ -
2021-1266-BOD-04-27-21		Galilee Center - Our Lady of Guadalupe Shelter - 1 Yr.	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000
2021-1277-BOD-04-27-21		Lift To Rise - United Lift Rental Assistance 2021 - 8 Months	\$ 300,000	\$ 210,000		\$ 180,000		\$ 30,000
2021-1280-BOD-05-25-21		Desert AIDS Project - DAP Health Expands Access to Healthcare - 1Yr.	\$ 100,000	\$ 55,000		\$ 45,000		\$ 10,000
2021-21-02-BOD-06-22-21		Carry over of remaining Fiscal Year 2020/2021 Funds*	\$ 1,854,873	\$ 1,854,873		\$ 884,646		\$ 970,227
2021-1296-BOD-11-23-21		Coachella Valley Volunteers In Medicine - Improving Access to Healthcare Services - 1 Yr.			\$ 154,094		\$ 69,342	\$ 84,752
2021-1289-BOD-12-21-21		Desert Cancer Foundation - Patient Assistance Program - 1 Yr.			\$ 150,000		\$ 67,500	\$ 82,500
2022-1301-BOD-01-25-22		UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr.			\$ 113,514		\$ 51,081	\$ 62,433
2022-1302-BOD-01-25-22		Vision To Learn - Palm Springs, Desert Sands, and Coachella Valley School Districts 1 Yr.			\$ 50,000		\$ 22,500	\$ 27,500
2022-1303-BOD-01-25-22		CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.			\$ 54,056		\$ 24,325	\$ 29,731
2022-1306-BOD-02-22-22		Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.			\$ 123,451		\$ 55,553	\$ 67,898
2022-1311-BOD-04-26-22		Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.			\$ 102,741		\$ 46,233	\$ 56,508
2022-1313-BOD-04-26-22		Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities 1 Yr.			\$ 76,790		\$ 34,555	\$ 42,235
2022-1314-BOD-05-24-22		Voices for Children - Court Appointed Special Advocate Program - 1 Yr.			\$ 60,000		\$ -	\$ 60,000
								\$ -
TOTAL GRANTS			\$ 14,217,604	\$ 9,501,626	\$ 884,646	\$ 1,783,553	\$ 371,089	\$ 8,230,728
Amts available/remaining for Grant/Programs - FY 2021-22:								
Amount budgeted 2021-2022				\$ 4,000,000			G/L Balance:	5/31/2022
Amount granted through May 31, 2022:				\$ (884,646)				
Mini Grants:	1293; 1294			\$ (10,000)				\$ 3,240,728
Financial Audits of Non-Profits				\$ -				\$ 4,990,000
Net adj - Grants not used:	FY20-21 Funds, 1124, 1135			\$ 1,868,521			Total	\$ 8,230,728
Matching external grant contributions				\$ -				\$ (0)
Balance available for Grants/Programs				\$ 4,973,875				
* Value listed in Total Paid column reflects funds granted from carryover funds. Actual grant payments will be reflected under the respective grant.								



## **Chief Administration Officer's Report**

**June 14, 2022**

FY22 Annual Audit – The interim fieldwork was completed in May without questions or concerns from the audit firm.

Fiscal Year End fieldwork will commence the first week of August.

### **Las Palmas Medical Plaza - Property Management:**

#### **Occupancy:**

See attached unit rental status report.

**97.9%** currently occupied –

Total annual rent including CAM fees is **\$1,392,313**.

#### **Leasing Activity:**

Lease renewals for Dr. Wolfson and Dr. Gundry will be presented for approval at this month's Committee meeting.

2 additional tenants will be negotiating lease extensions/renewals before the end of the calendar year.

There is current interest in leasing suite 1W-104, which was recently vacated.

Las Palmas Medical Plaza													
Unit Rental Status													
As of June 1, 2022													
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							\$ 0.69		
1W, 104	Vacant					1,024	2.07%						
Total - Vacancies						1,024	2.07%						
Total Suites - 31 - 30 Suites Occupied		\$62,205.34				49,356	97.9%	\$ 82,817.73	\$ 993,812.76	\$ 1.71	\$ 33,208.32	\$ 116,026.05	\$ 1,392,312.60
			Summary - All Units										
			Occupied	48,332	97.9%								
			Vacant	1,024	2.1%								
			Pending	0	0%								
			Total	49,356	100%								



Date: June 28, 2022  
To: Board of Directors  
Subject: Lease Agreement – Dr. Brad A Wolfson, 2W-101

---

**Staff Recommendation:** Consideration to approve the draft lease agreement for Dr. Brad A Wolfson at the Las Palmas Medical Plaza.

**Background:**

- Dr. Wolfson has been a long-standing tenant of the Las Palmas Medical Plaza.
- Dr. Wolfson's current lease expires July 31, 2022.
- Dr. Wolfson would like to renew a three (3) year lease.
- Annual increases for the term are 3%.
- Staff recommends approval of the lease agreement.
- At the June 14, 2022, Finance & Administration Committee meeting, the Committee recommended forwarding the agreement for consideration of approval by the full Board.
- Draft lease agreement is attached for review.

**Fiscal Impact:**

Estimated Revenue from Rent and CAMs for life of the base lease - \$132,445

Estimated Cost of Tenant Improvement Allowance (\$9/sf) – \$11,520

Net Lease Income (base lease) - \$120,925

**OFFICE BUILDING LEASE**

**Between**

**DESERT HEALTHCARE DISTRICT,  
DOING BUSINESS AS LAS PALMAS MEDICAL PLAZA  
AS LANDLORD**

**And**

**BRAD A. WOLFSON, M.D.**

**AS TENANT**

**DATED**

**AUGUST 1, 2022**

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OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as “Landlord”, and Brad A. Wolfson, M.D., hereinafter referred to as “Tenant”, and is dated August 1, 2022.

I. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2L. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

- a. *Base Rent (Initial)*: \$ Thirty-Two Thousand, Five Hundred Sixty-Three and 20/100 Dollars (\$32,563.20) per year.
- b. *Base Year*: The calendar year of August 1 to July 31.
- c. *Broker(s)*:  
Landlord’s: N/A.  
Tenant’s: N/A.  
  
In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: August 1<sup>st</sup>, 2022.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: July 31<sup>st</sup>, 2025, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Canyon Dr., Palm Springs, CA 92262.  
*Tenant's Mailing Address*: 555 E. Tachevah Dr., 2W-101, Palm Springs, CA 92262.
- h. *Monthly Installments of Base Rent (initial)*: \$ Two Thousand, Seven Hundred Thirteen & 60/100 Dollars (\$2,713.60) per month.
- i. *Project Operating Costs (CAMS)*: Currently Sixty-Nine Cents (\$.69) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Nine Dollars (\$9.00) per square foot or Eleven Thousand, Five Hundred Twenty & 00/100 Dollars (\$11,520).
- k. *Parking*: Tenant shall be permitted, to park 6 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 1,280 square feet of Rentable Area, located in Building 2W and known as Suite 101.

- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.
- o. *Security Deposit (Section 7)*: \$ Tenant will carry over from previous lease in the amount of Zero & 00/100 Dollars (\$0.00).
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 2.59%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: Medically related office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

### 3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addenda\*

\*See Addendum attached hereto and by this reference made a part hereof.

### 4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession, "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Addendum. If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

### 5. RENT.

5.1 *Payment of Base Rent*: Tenant agrees to pay the base rent for the premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

#### 5.2 *Adjusted Base Rent*:

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date.
- b. Such adjustment shall be the greater of 3% over the preceding year or Consumer Price Index.
- c.

#### 5.3 *Project Operating Costs (CAMs)*:

- a. In order that the Rent payable during the Term reflect Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

- (1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

(a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably Approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b.) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenant); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(2.) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a.) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b.) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10)

days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

- (d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.
- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

**5.4 Definition of Rent:** The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

**5.5 Rent Control:** If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

**5.6 Taxes Payable by Tenant:** In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

**5.7 Tenant Improvement Allowance:** In recognition for Tenant completing all improvements to the premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of agreed tenant improvements. This allowance will be reimbursed to tenant upon satisfactory receipt of paid invoices and inspection by Property Management that work has been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work and shall be performed by a licensed General Contractor approved by Landlord in advance. Tenant shall submit plans and specifications for any and all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the tenant improvement work and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to prevailing wages and if construction costs exceed \$25,000, then the tenant improvements shall also be subject to California competitive bid statutes.

## 6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs

\_\_\_\_\_ District      \_\_\_\_\_ Recipient

and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

## 7. SECURITY DEPOSIT.

Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer, or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand, therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

## 8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project, or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

## 9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (I) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on,

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use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord Promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of common area in a manner that such services are customarily furnished to comparable office buildings in the area.

## 10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

## II. CONSTRUCTION, REPAIRS AND MAINTENANCE.

- a. *Landlord's Obligations:* Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. *Tenant's Obligations:*
  - (1.) Tenant shall perform Tenant's Work to the Premises as described in an exhibit specific to Tenant Improvements, if applicable."
  - (2.) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.
  - (3.) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.
  - (4.) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no



liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

- c. *Compliance with Law*: Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.
- d. *Waiver by Tenant*: Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.
- e. *Load and Equipment Limits*: Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.
- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

## 12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1.5) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and material men's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which

can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

### 13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

### 14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit "D" and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project.

### 15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant's use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, eluding Tenant's vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

### 16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant's notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:

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- (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
  - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
  - (3.) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
  - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and
  - (5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.
- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
  - d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
  - e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

## 17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

## 18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.
- b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

## 19. DESTRUCTION OR DAMAGE.

- a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly

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repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.

- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.
- e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

## 20. EMINENT DOMAIN.

- a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.
- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.
- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

## 21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a

material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.

- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

## 22. TENANT'S INSURANCE.

- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.
- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.
- d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

## 23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

## 24. SUBORDINATION AND ATTORNMENT.

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Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

## 25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

## 26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

## 27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1.) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2.) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3.) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus
- (4.) *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses (including attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award@ as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum." The worth at the time of the award@ as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be

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satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

## 28. BROKERAGE FEES.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Tenant shall indemnify and hold Landlord harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

## 29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

## 30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

## 31. RELOCATION OF PREMISES.

Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

- a. The new premises shall be substantially the same in size, dimension, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

## 32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

## 33. OBSERVANCE OF LAW.

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Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

### 34. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

### 35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

### 36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

### 37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda:* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees:* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers:* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender:* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law:* This Lease shall be construed and enforced in accordance with the laws of the State of California.
- g. *Consent:* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.

- h. *Corporate Authority*: If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. *Counterparts*: This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option*: The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.
- k. *Furnishing of Financial Statements; Tenant's Representations*: In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.
- l. *Further Assurances*: The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- m. *Mortgagee Protection*: Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- n. *Prior Agreements; Amendments*: This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. *Recording*: Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.
- p. *Severability*: A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. *Successors and Assigns*: This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
- r. *Time of the Essence*: Time is of the essence of this Lease.
- s. *Waiver*: No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- t. *Compliance*: The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.



Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Landlord: Desert Healthcare District

Tenant: Brad A. Wolfson, M.D.

dba: Las Palmas Medical Plaza

By: Conrado Bárzaga

By:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: CEO

Title:

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

EXHIBIT "A"

RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on entry door and directory shall be printed, painted, affixed, or inscribed at the expense of Landlord by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard interior window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

- |
14.

Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15.

Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16.

Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17.

Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18.

All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

\_\_\_\_\_  
Landlord's Initials

\_\_\_\_\_  
Tenant's Initials

DRAFT

ADDENDUM

Addendum to that certain Office Building Lease dated August 1, 2022 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Brad A. Wolfson, M.D., as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

1. Commencement Date:  
August 1, 2022
2. Expiration Date:  
July 31, 2025
3. Rent Schedule:  

<u>8/1/2022 – 7/31/2023</u>	<u>\$2,713.60</u>
<u>8/1/2023 – 7/31/2024</u>	<u>\$2,795.01</u>
<u>8/1/2024 – 7/31/2025</u>	<u>\$2,878.86</u>
4. CAMs:  
\$ .69 per square foot.
5. Security Deposit:  
Carry over from previous lease in the amount of Zero & 00/100 Dollars (\$0.00).

The foregoing is hereby agreed to and accepted:

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	<u>Brad A. Wolfson, M.D.</u>
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Conrado Bárzaga</u>	By:	_____
Signature:	_____	Signature:	_____
Title:	<u>CEO</u>	Title:	_____



Date: June 28, 2022

To: Board of Directors

Subject: Lease Agreement – Dr. Steven R. Gundry dba: The International Heart and Lung Institute - Las Palmas Medical Plaza Suite #3W 103-104

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**Staff Recommendation:** Consideration to approve the draft lease agreement for Dr. Steven R. Gundry at the Las Palmas Medical Plaza.

**Background:**

- Dr. Gundry has been a long-standing tenant of the Las Palmas Medical Plaza.
- Dr. Gundry's current lease expires on July 31, 2022.
- Dr. Gundry would like to renew a three (3) year lease.
- Dr. Gundry also requests two (2) one (1) year optional terms.
- Annual increases for both the base and optional terms are 3%.
- Staff recommends approval of the lease agreement.
- At the June 14, 2022, Finance & Administration Committee meeting, the Committee recommended forwarding the agreement for consideration of approval by the full Board.
- Draft lease agreement is attached for review.

**Fiscal Impact:**

Estimated Revenue from Rent and CAMs for life of the base lease - \$211,365

Estimated Cost of Tenant Improvement Allowance (\$9/sf) – \$19,881

Net Lease Income (base lease) - \$191,484

**OFFICE BUILDING LEASE**

**Between**

**DESERT HEALTHCARE DISTRICT,  
DOING BUSINESS AS LAS PALMAS MEDICAL PLAZA  
AS LANDLORD**

**And**

**STEVEN R. GUNDRY, DBA: THE INTERNATIONAL HEART AND LUNG INSTITUTE**

**AS TENANT**

**DATED**

**AUGUST 1, 2022**

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OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as “Landlord”, and Steven R. Gundry, dba: The International Heart and Lung Institute, hereinafter referred to as “Tenant”, and is dated August 1, 2022.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2L. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

- a. *Base Rent (Initial)*: \$ Fifty Thousand, Six Hundred Thirty and 28/100 Dollars (\$50,630.28) per year.
- b. *Base Year*: The calendar year of August 1 to July 31.
- c. *Broker(s)*:  
Landlord’s: N/A.  
Tenant’s: N/A.  
  
In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: August 1<sup>st</sup>, 2022.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: July 31<sup>st</sup>, 2025, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Canyon Dr., Palm Springs, CA 92262.  
*Tenant's Mailing Address*: 555 E. Tachevah Dr., 3W-103, Palm Springs, CA 92262.
- h. *Monthly Installments of Base Rent (initial)*: \$ Four Thousand, Two Hundred Nineteen & 19/100 Dollars (\$4,219.19) per month.
- i. *Project Operating Costs (CAMS)*: Currently Sixty-Nine Cents (\$.69) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Nine Dollars (\$9.00) per square foot or Nineteen Thousand, Eight Hundred Eighty-One & 00/100 Dollars (\$19,881).
- k. *Parking*: Tenant shall be permitted, to park 11 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 2,209 square feet of Rentable Area, located in Building 3W and known as Suite 103-104.



- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.
- o. *Security Deposit (Section 7)*: \$ Tenant will carry over from previous lease dated 3/1/2006 in the amount of Three Thousand, Four Hundred Twenty-Three and 95/100 Dollars (\$3,423.95).
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 4.48%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: Medically related office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

### 3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addenda\*

\*See Addendum attached hereto and by this reference made a part hereof.

### 4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession, "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Addendum. If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

### 5. RENT.

5.1 *Payment of Base Rent*: Tenant agrees to pay the base rent for the premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

#### 5.2 *Adjusted Base Rent*:

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date.
- b. Such adjustment shall be the greater of 3% over the preceding year or Consumer Price Index.
- c.

#### 5.3 *Project Operating Costs (CAMs)*:

- a. In order that the Rent payable during the Term reflect Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

- (1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

(a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably Approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b.) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenant); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(2.) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a.) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b.) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10)

\_\_\_\_\_ District \_\_\_\_\_ Recipient

days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

- (d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.
- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

**5.4 Definition of Rent:** The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

**5.5 Rent Control:** If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

**5.6 Taxes Payable by Tenant:** In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

**5.7 Tenant Improvement Allowance:** In recognition for Tenant completing all improvements to the premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of agreed tenant improvements. This allowance will be reimbursed to tenant upon satisfactory receipt of paid invoices and inspection by Property Management that work has been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work and shall be performed by a licensed General Contractor approved by Landlord in advance. Tenant shall submit plans and specifications for any and all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the tenant improvement work and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to prevailing wages and if construction costs exceed \$25,000, then the tenant improvements shall also be subject to California competitive bid statutes.

## 6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs

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and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

## 7. SECURITY DEPOSIT.

Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer, or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand, therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

## 8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project, or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

## 9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on,

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use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord Promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of common area in a manner that such services are customarily furnished to comparable office buildings in the area.

## 10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

## II. CONSTRUCTION, REPAIRS AND MAINTENANCE.

- a. *Landlord's Obligations:* Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. *Tenant's Obligations:*
  - (1.) Tenant shall perform Tenant's Work to the Premises as described in an exhibit specific to Tenant Improvements, if applicable."
  - (2.) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.
  - (3.) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.
  - (4.) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no

liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

- c. *Compliance with Law*: Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.
- d. *Waiver by Tenant*: Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.
- e. *Load and Equipment Limits*: Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.
- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

## 12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1.5) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and material men's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which

can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

### 13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

### 14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit "D" and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project.

### 15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant's use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, eluding Tenant's vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

### 16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant's notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:

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- (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
  - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
  - (3.) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
  - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and
  - (5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.
- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
  - d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
  - e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

## 17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

## 18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.
- b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

## 19. DESTRUCTION OR DAMAGE.

- a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly

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repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.

- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.
- e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

## 20. EMINENT DOMAIN.

- a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.
- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.
- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

## 21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a

material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.

- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

## 22. TENANT'S INSURANCE.

- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.
- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.
- d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

## 23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

## 24. SUBORDINATION AND ATTORNMENT.

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Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

## 25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

## 26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

## 27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1.) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2.) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3.) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus
- (4.) *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses (including attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award@ as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum." The worth at the time of the award@ as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be

\_\_\_\_\_ District \_\_\_\_\_ Recipient

satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

## 28. BROKERAGE FEES.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Tenant shall indemnify and hold Landlord harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

## 29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

## 30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

## 31. RELOCATION OF PREMISES.

Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

- a. The new premises shall be substantially the same in size, dimension, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

## 32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

## 33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

### 34. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

### 35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

### 36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

### 37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda:* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees:* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers:* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender:* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law:* This Lease shall be construed and enforced in accordance with the laws of the State of California.
- g. *Consent:* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.

- h. *Corporate Authority*: If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. *Counterparts*: This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option*: The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.
- k. *Furnishing of Financial Statements; Tenant's Representations*: In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.
- l. *Further Assurances*: The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- m. *Mortgagee Protection*: Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- n. *Prior Agreements; Amendments*: This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. *Recording*: Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.
- p. *Severability*: A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. *Successors and Assigns*: This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
- r. *Time of the Essence*: Time is of the essence of this Lease.
- s. *Waiver*: No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- t. *Compliance*: The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

\_\_\_\_\_ District      \_\_\_\_\_ Recipient

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	<u>Steven R. Gundry, M.D.</u>
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Conrado Bárzaga</u>	By:	_____
Signature:	_____	Signature:	_____
Title:	<u>CEO</u>	Title:	_____

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.



EXHIBIT "A"

RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on entry door and directory shall be printed, painted, affixed, or inscribed at the expense of Landlord by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard interior window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

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14.

Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15.

Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16.

Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17.

Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18.

All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

\_\_\_\_\_  
Landlord's Initials

\_\_\_\_\_  
Tenant's Initials

DRAFT

ADDENDUM

Addendum to that certain Office Building Lease dated [August 1, 2022](#) by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and [Steven R. Gundry, dba: The International Heart and Lung Institute](#), as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, [California 92262](#).

Page 1

In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

1. Commencement Date:  
[August 1, 2022](#)
2. Expiration Date:  
[July 31, 2025](#)
3. Rent Schedule:  

<a href="#">8/1/2022 – 7/31/2023</a>	<a href="#">\$4,219.19</a>
<a href="#">8/1/2023 – 7/31/2024</a>	<a href="#">\$4,345.77</a>
<a href="#">8/1/2024 – 7/31/2025</a>	<a href="#">\$4,476.14</a>
4. CAMs:  
[\\$.69 per square foot.](#)
5. Security Deposit:  
[Carry over from previous lease dated 3/1/2006 in the amount of \\$3,423.95.](#)
- 5.6. Option Term:  
[Two \(2\) one \(1\) year Option Term. Base Rent for the first year of the Option Term shall be at “Market Rate”, which shall not be less than the last month of the Initial Term plus a three percent \(3%\) increase, with three percent \(3%\) annual increases thereafter.](#)

The foregoing is hereby agreed to and accepted:

Date:		Date:	
Landlord:	<a href="#">Desert Healthcare District</a>	Tenant:	<a href="#">Steven R. Gundry, M.D.</a>
	<a href="#">dba: Las Palmas Medical Plaza</a>		
By:	<a href="#">Conrado Bárzaga</a>	By:	
Signature:		Signature:	
Title:	<a href="#">CEO</a>	Title:	



Date: June 28, 2022

To: Board of Directors

Subject: Consideration to approve a Consulting Services Agreement with Spitfire Strategies to conduct Board development workshops – NTE \$45,000.

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**Staff Recommendation:** Consideration to approve a Consulting Services Agreement with Spitfire Strategies to conduct Board development workshops – NTE \$45,000.

**Background:**

- Since 2019, the District has conducted Board development workshops with focus on Board and CEO roles and relationships, and to develop key issues and goals for the Board.
- Staff would like to continue the Board development workshops with a new consulting firm, Spitfire Strategies (Spitfire).
- Spitfire works with organizations to assist with social-change goals and to help bring big ideas to life with smart communication, winning campaigns and learning opportunities to become more powerful changemakers.
- Equity, diversity and inclusion are at the heart of their work.
- Guidance is provided to advance racial, economic and social justice, and to protect the environment.
- Spitfire will develop sessions for capacity building and secure speakers for special sessions on governance and campaign finances.
- Sessions will be planned quarterly through the end of 2023.
- At the June 14, 2022, Finance & Administration Committee meeting, the Committee recommended forwarding the agreement for consideration of approval by the full Board.
- The draft consulting services agreement along with the scope of work is included in the packet for your review.
- Staff recommends approval of the Consulting Services Agreement with Spitfire Strategies – NTE \$45,000.

**Fiscal Impact:**

NTE \$45,000 and is included in the annual FY22-23 budget.

## **CONSULTING SERVICES AGREEMENT**

This Professional Services Agreement (“Agreement”) is entered into by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and Spitfire Strategies, (“Consultant”) as follows:

### **R-E-C-I-T-A-L-S**

1. District would like to retain the professional services of Consultant to provide Board development services.
2. Consultant has worked with public agencies and other organizations domestically and internationally, is qualified, and possesses the knowledge, skill, expertise, necessary to provide the professional services (“Services”) as more specifically outlined in the attached Exhibit “A” (“Consultant Proposal”).

### **C-O-V-E-N-A-N-T-S**

#### **1. CONSULTANT’S SERVICES.**

1.1 Services. Consultant shall provide all labor, materials, equipment, and incidentals necessary to fully and adequately provide the District with the professional services described in the Consultant Proposal. All Services shall be performed by Consultant to the reasonable satisfaction of the District.

1.2 Compliance with Laws. In performing the Services, Consultant shall, at all times comply with all applicable laws, rules, regulations, codes, ordinances, and orders of every kind whatsoever issued, adopted, or enacted by any federal, state, or local governmental body having jurisdiction over the Services.

1.3 Performance Standard. Consultant shall perform the Services with efficiency and diligence and shall execute the Services in accordance with the standards of Consultant’s profession, generally described as that degree of skill and care ordinarily exercised by professionals providing similar services as Consultant practicing in California.

1.4 District and Foundation’s Representative. For purposes of this Agreement, the District and Foundation’s Representative shall be District’s Chief Executive Officer Conrado Barzaga, located at 1140 North Indian Canyon Drive, Palm Springs, CA 92262. All amendments to this Agreement shall be approved by the District Board.

## **2. FEES AND PAYMENTS.**

2.1 Compensation for Services. For the full and satisfactory performance of the Services, District shall compensate Consultant in an amount not to exceed \$45,000, plus reimbursement of out-of-pocket expenses as outlined in the attached Consultant Proposal.

2.2 Invoices. Consultant shall deliver quarterly invoices to the District no later than the 10th day of each quarter for Services. Expenses in excess of \$100 will not be made without the prior approval of the District.

2.3 Payment. The District shall remit payment for all amounts due to Consultant within thirty (30) days after receipt of invoices; provided, however, in the event District disputes any portion of Consultant's invoice, it shall timely pay any undisputed amounts invoiced and notify Consultant within thirty (30) days of its receipt of the invoice of the specifics of any disputed amounts. The parties shall expeditiously resolve the subject of any disputed amounts by way of negotiation or, if necessary, mediation. Any such dispute shall not relieve Consultant of its obligation to continue diligently performing the Services.

## **3. TERM; TERMINATION.**

3.1 Term. The term of this Agreement shall be from the date the agreement is signed through December 31, 2023, subject to Section 1.3.

3.2 Termination for Convenience. District may, at any time in the exercise of its sole discretion, terminate this Agreement in whole or in part, with or without cause, by providing at least 10 calendar days written notice to Consultant of its intention to terminate the Agreement for convenience. So long as Consultant is not in default under this Agreement at the time of such termination, District shall pay Consultant for all Services incurred up to and including the date of termination. Consultant may also terminate this contract with or without cause upon giving 10 calendar days' written notice to District.

## **4. INDEPENDENT CONTRACTOR.**

District has retained Consultant to provide, and Consultant shall perform, the Services as an independent contractor maintaining exclusive direction and control over its employees; and, no personnel utilized by Consultant to perform the Services are employees of the District.

## **5. OWNERSHIP OF DOCUMENTS.**

Consultant reserves the right to bring additional staff to the training sessions for observation or training purposes, unless client expresses specific objections at the time this contract is executed due to sensitive training content issues.

District acknowledges it has specially ordered and commissioned Consultant to create materials for District's use. All original new materials created and contributed by Consultant are defined as "works made for hire" (hereinafter "the Works") under United States copyright laws, subject to the limitations specified below.

### **5.1 Pre-Existing Intellectual Property of Consultant**

District acknowledges that Consultant may use its pre-existing intellectual property (including, without limitation, know-how and proprietary methodologies) ("Pre-Existing IP") as it creates the Works hereunder, and nothing in this Contract is intended to transfer ownership in Consultant's Pre-Existing IP to District.

### **5.2 Licenses**

Should District wish to use or distribute the Works to third parties, and to the extent that such use or distribution by Client of the Works is for charitable purposes only, and subject to the terms of this Contract, District may use and distribute the Works. In no event may District sell or resell the Works for profit or otherwise commercialize the Works. To the extent that any of the Works created by Consultant contain any elements owned by third parties, Consultant warrants that any necessary licenses to use such materials have been obtained and apply to District equally.

### **5.3 Third-Party Materials**

Should Consultant wish to use or distribute the Works or elements of the Works contributed by District to third parties, Consultant shall obtain prior written approval from District.

### **5.4 Use of Names and Logos**

Consultant and District acknowledge that each owns all rights in their respective names, trademarks, service marks, logos, and other indicia of source ("Marks") and that each may not use any of the other's Marks except as expressly authorized in the course of performing the services covered by this contract and in connection with the attribution as described above in this contract.

## **6. INDEMNIFICATION.**

Consultant agrees to indemnify and hold the District and Foundation, its governing body, officers, employees, representatives, agents, successors and assigns (collectively the District/Foundation Indemnities), harmless from and against any and all losses, liabilities, claims, causes of action or costs and expenses of whatever nature or kind, incurred or

suffered by the District or the District/Foundation Indeminities including indemnity claims arising by reason of any personal injury of any person or property loss, loss of use, or damage, to the extent the same arise out of or in connection with the negligent act(s) or omission(s), recklessness, or willful misconduct of Consultant, its officers, employees, subcontractors, or representatives, relating to the performance of the services outlined in this Agreement.

## **7. NOTICE.**

All notices to be given under this Agreement shall be in writing and shall be deemed effective upon receipt when personally served or two days after mailing by certified, return receipt requested, to the following addresses:

To: District  
Desert Healthcare District  
Attention: Conrado Barzaga, Chief Executive Officer  
1140 N. Indian Canyon Drive  
Palm Springs, California 92262

To: Consultant  
Spitfire Strategies  
2300 N Street NW – Suite 610  
Washington, D.C. 20037

## **8. MISCELLANEOUS PROVISIONS.**

8.1 Venue. Venue shall lie only in the federal or state courts nearest to the City of Palm Springs, in the County of Riverside, State of California.

8.2 Modification. This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.

8.3 Entire Agreement. This Agreement, together with all Schedules attached, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda, or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its schedules.

8.4 Assignment. Consultant shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior written consent of the District. Nothing in this Agreement shall obligate the District to give such consent. Any purported assignment without the District's consent shall be void.



8.5 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs, and assigns.

8.6 Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

This Agreement is entered into in the County of Riverside, State of California.

“District”:

Desert Healthcare District

By: \_\_\_\_\_  
Conrado Barzaga, CEO

Date: \_\_\_\_\_

“Consultant”:

Spitfire Strategies

By: \_\_\_\_\_  
Erin B. Hart, Chief Innovation Officer

Date: \_\_\_\_\_



---

**TO:** Conrado Barzaga, Desert Healthcare District  
**FR:** Erin Hart, Spitfire  
**RE:** Board development approach  
**DA:** April 26, 2022

---

Thank you for inviting us to propose an approach for board development for the Desert Healthcare District and Foundation. We are eager to collaborate with your staff and board to extend learning from these board sessions into the district's everyday work. With that aim in mind, we've crafted an approach that will provide several board development sessions, evaluates those sessions to inform future learning within the group and includes strategic counsel sessions between meetings to connect content to everyday practice.

Please note that we are working to secure speakers for sessions on campaign finances and governance. We have identified individuals with insight on these topics and how these subjects specifically relate to health care districts, but we have not yet identified the best partners to work as a trainers or share information with Spitfires to deliver via a training with your board. We are continuing conversations with the Association of California Healthcare Districts and various public affairs partners to identify the best information providers and trainers to share content and insight from lived experience to inform these sessions.

## Proposed scope of work

We recommend the following scope of work, based on our discussion and experience with similar projects:

### *Topics*

You have noted a variety of topics for capacity building among district board members, and as with most groups, we anticipate varied degrees of expertise and experience with topics covered in these sessions. To cover the most important content and account for various experience levels, we recommend two-hour sessions on each of the following topics for district board capacity-building.

- **Get inside the box:** Well-crafted messages create clarity and consistency in communication, and both factors increase understanding and engagement with audiences you need to reach. This session will build from social science insights that guide us on how to effectively engage audiences and will feature a message-box construct that every participant can use to create messages about the district and specific aspects of their work. The session will review the importance of consistent messaging, walk your board members through this approach to creating messages, identify content for a shared district message and prepare them to use this approach in their everyday work.
- **Ethical storytelling:** Stories are powerful tools for capturing attention, engaging audiences and motivating people to act. As we learn more about how our brains work, we're also discovering that stories play a critical role in shaping our worldviews and sparking our decision making. In this session Spitfire will





showcase how to use the power of storytelling and offer specific ways that participants can share their stories to advance their work. We will explore how to ethically find, create and share meaningful stories and share tips for creating a storytelling culture within your own organization.

- **What's your spiel?** How do district board members describe their work – via a short description or a long-and-winding road? For meetings, presentations, Zoom calls and more, it's important for district board members to have a clear overview of the district's work to help audiences understand it and recognize consistency from one board or staff member to the next. This session will walk board members through an approach to crafting a spiel (often called an elevator speech) that will create comfort as they introduce their work and help audience members better understand and remember what you share.
- **See what you mean:** Just as you are intentional about the words in your messages, mission statement or social media content, you must be intentional about the visuals you choose and use. Images have power because we process them in the same part of our brain where we process emotion. That means they stick, and that matters when you're working to reset a perspective, encourage a specific behavior or otherwise create change. This session will provide an overview of the importance of visuals and everyday decisions we make to employ them effectively – even if you're not a professional designer or photographer.
- **Governance:** To be determined, as noted earlier.
- **Campaign contributions:** To be determined, as noted earlier.

We will discuss these topics with you to determine if they are a good match for board members' interests and needs. Based on what we learn from further discussion with you, we may together choose to include sessions on presentation delivery, interview skills, crisis communication or other communication topics.

### ***Insights and evaluation***

To enable us to craft effective sessions, we recommend beginning with a survey where board members will share more about their understanding of and experience with topics that we will cover together. We will reflect on their responses as we identify information to present and plan for activities and facilitated conversation within each session. In addition, we will provide evaluations for every individual session to learn what's useful, what adjustments would be helpful and where board members may seek additional learning opportunities or support.

### ***Strategic communication counsel***

We recognize the intention of providing these capacity building sessions to support board members' day-to-day work. To review how and if that is happening and consider how these insights are carrying over into district staff work, we recommend holding 90-minute communication counsel sessions with district staff



between quarterly board meetings. These sessions likely will include planning for the upcoming session, reflections on any past session(s) and emergent communication priorities for the district.

## Estimated timeline and budget

We have outlined activities and fixed costs per quarter, starting with kickoff activities in Q2 of this year. This table outlines a recommended development topic for each quarter, and we can adjust these based on board member needs and speaker/trainer availability.

Timing	Activity	Cost
<b>Q2 2022</b>	Kickoff meeting Board assessment survey (scheduled in Q2 or Q3)	\$3,000
<b>Q3 2022</b>	Strategic comm session (possibly scheduled in Q2) <i>Get inside the box</i> (messaging) session and evaluation	\$6,000
<b>Q4 2022</b>	Strategic comm session (possibly scheduled in Q3) <i>Ethical storytelling</i> session and evaluation	\$6,000
<b>Q1 2023</b>	Strategic comm session (possibly scheduled in Q4) <i>What's your spiel?</i> session and evaluation	\$6,000
<b>Q2 2023</b>	Strategic comm session (possibly scheduled in Q1) <i>See what you mean</i> session and evaluation	\$6,000
<b>Q3 2023</b>	Strategic comm session (possibly scheduled in Q2) Governance session TBD and evaluation	TBD
<b>Q4 2023</b>	Strategic comm session (possibly scheduled in Q3) Campaign contribution session TBD and evaluation	TBD
	Expenses: Spitfire charges a 5% administrative fee for all projects. We will secure your advance approval for any expenses, such as travel or printing, that we may need to incur if any session is offered in person or other needs arise during the course of this work	TBD based on final budget amount



## About Spitfire

**A woman-owned firm, Spitfire has fundamental values rooted in one core principle: Everyone belongs and has the power to spark change.** We help our clients and their work in communities across the country and around the world, all in the pursuit of representing the best interests of people and the planet. We are aligned with your mission and do not work on projects that are at odds with your goals. A leader in public interest communication, Spitfire brings a team of communication and advocacy professionals dedicated to supporting organizations that are driving change on the most significant issues of our time. We push ourselves to advance equity, diversity and inclusion in our work, policies, practices and day-to-day interactions. We have an active equity, diversity and inclusion initiative that shares resources, creates space for staff to have challenging conversations and promotes learning and accountability across the firm.

**We are curious, strategic thinkers.** Strategy is our North Star, and our focus on it enables us to deliver strong results. We begin by asking lots of questions – unusual, astute and sometimes provocative ones – to inform strategic thinking. By showing you our desire to learn and draw connections, we demonstrate sincere respect for your goals, your expertise and your time.

**We share your vision for a better world.** Our clients address society's most complex issues. You are the game changers whose work speaks to the human condition and the earth we share. And whether it's addressing health equity, advancing LGBTQIA equality, protecting the environment, providing high-quality education to all students, increasing access to employment or fighting discrimination alongside immigrant families, we stand with you – because we share your determination to make our world a better place, and we never want to miss an opportunity to do just that.

## Thank you

We look forward to your feedback and will work with you to refine this approach and budget as needed. Please contact me at [ehart@spitfirestrategies.com](mailto:ehart@spitfirestrategies.com) with questions and feedback on next steps together.

### Non-disclosure agreement

This Proposal is being submitted with the understanding that you agree to the following. Acceptance of the Proposal will signify your agreement. The Proposal contains Confidential Information including but not limited to information, technical data, and know-how relating to strategic communications and campaign planning, training, counseling and the tools to maximize the impact of such communications, and may include written, video or online training materials disclosed by Spitfire in electronic media, in writing, orally or otherwise, all of which is proprietary and protected under this Agreement, the US Copyright and Trademark laws and applicable common law. By accepting this proposal, you agree not to use Confidential Information for any purpose except to evaluate whether you wish to hire Spitfire for the full development and implementation of the Proposal. Confidential Information that becomes publicly available other than as a result of your acts, or was in your possession prior to the disclosure by Spitfire, or becomes available to you from a source that, to your knowledge, is not bound by a confidentiality agreement with Spitfire prohibiting such disclosure, shall no longer be considered to be Confidential Information. All Confidential Information furnished to you shall remain the property of Spitfire and nothing contained herein shall be construed as giving you any license or rights with respect to any Confidential Information or materials except as otherwise agreed by the parties in a definitive agreement. The restrictions and remedies contained in this Agreement will survive any termination of the negotiations relating to the contract.



Date: June 28, 2022

To: Board of Directors

Subject: Consideration to approve Addendum #3 to the engagement letter with Kaufman, Hall & Associates, dated July 18, 2019, to continue support of the District's strategic options regarding Desert Regional Medical Center - \$75,000 per month – May through July 2022.

---

**Staff Recommendation:** Consideration to approve Addendum #3 to the engagement letter with Kaufman, Hall & Associates, dated July 18, 2019, to continue support of the District's strategic options regarding Desert Regional Medical Center - \$75,000 per month – May through July 2022.

**Background:**

- Since 2017, the District has been in various levels of discussion regarding the Tenet lease of the Desert Regional Medical Center (DRMC).
- July 18, 2019, the District engaged the services of Kaufman Hall to support the District's strategic options regarding DRMC.
- In 2020, the COVID-19 pandemic hit hard and required full attention to the health and wellness of the District by both DRMC/Tenet and the District & Foundation.
- September 2021, the District re-engaged the services of Kaufman Hall.
- Addendum #3 to the engagement letter extends the ongoing work from May 2022 through July 2022.
- At the June 14, 2022, Finance & Administration Committee meeting, the Committee recommended forwarding the Addendum for consideration of approval by the full Board.
- Staff recommends approval of Addendum #3.

**Fiscal Impact:**

Payment terms include \$75,000 monthly payments for 3 months (\$225,000). The fees are included in the annual FY21-22 & FY22-23 budgets.



May 17, 2022

Conrado Bárzaga, M.D.  
Chief Executive Officer  
Desert Healthcare District  
1140 N. Canyon Drive  
Palm Springs, California 92262

Dear Conrado:

Kaufman, Hall & Associates, LLC (“Kaufman Hall”) is pleased to present this proposal to Desert Healthcare District (“Desert Health” or the “District”) to continue support of the District’s strategic options analysis for its major asset, Desert Regional Medical Center (“DRMC”) (the “Client Project”). Following a year plus of significant change that is transforming the healthcare industry and the regional/local dynamics, the District has determined that it would like to evaluate its strategic options related to DRMC, which could include (a) a new lease or sale to Tenet Health (“Tenet”), the current lessee of DRMC, or (b) an alignment with an alternative operator. Similarly, the District would like to evaluate how it may deploy resources related to the aforementioned, which may or may not be received under one of the above scenarios, to further the District goals in meeting the important healthcare needs of the community.

This serves as an addendum (the “Addendum Three”) to the engagement letter dated July 18, 2019 (the “Engagement Letter”). This Addendum Three shall be governed by the terms and conditions set forth and agreed upon in the Engagement Letter. To the extent that the terms of the Addendum Three conflict with the terms of the Engagement Letter, the terms of the Addendum Three shall control. All other terms and conditions of the Engagement Letter shall remain in full force and effect.

## SCOPE OF SERVICES

Kaufman Hall proposes continuing the approach to develop a fully informed fact-base that (I) evaluates the existing market environment and (II) reviews strategic options that account for these dynamics.

### Continued Strategic Plan Preparation and Execution

- ***Preparation for Renewed Options:*** Review, evaluate and appropriately communicate updates of fair market value estimates, seismic retrofit assumptions, and other key drivers to potential value of a transaction
- ***Community Needs Review:*** Integrate the potential investments and capital required to meet community needs and address health and wellness gaps in the District’s region
- ***Establish Clear Thresholds:*** Determine the refreshed form and amount of consideration that may be proposed by the existing operator, as well as evaluating the basic facets of potential alternative parties to ensure the District can make an informed decision regarding the future of the hospital
- ***Continue Direct Conversations:*** Continue to actively engage in directed, and in certain cases, confidential, face to face meetings to better understand existing and alternative options

Conrado Bárzaga, M.D.  
Desert Healthcare District  
May 17, 2022  
Page 2

Following this effort, the District will be positioned to execute on its various stakeholder and suitor discussions.

*For the avoidance of doubt, the District understands that in rendering services hereunder, Kaufman Hall will not provide accounting, legal, investment, tax, audit, compliance, or regulatory advice, and the District will rely upon the advice of counsel and other advisors to District for such matters, as applicable. These services do not include municipal advisory services.*

## ENGAGEMENT TIMING AND PROFESSIONAL FEES

The term of this Addendum Three will be 90 days, beginning in May 2022 and continuing through July 2022. Professional fees for this engagement will be fixed fees of \$75,000 a month, billed in three consecutive monthly installments beginning in May 2022.

In addition to professional fees, the District is responsible for monthly administrative expenses of \$2,650 and, to the extent applicable, reimbursable travel and third-party data/analytics expenses, which are billed as incurred and not subject to markup. Invoices are sent at the end of each month and are due upon receipt.

Engagement fees will remain fixed unless the scope or timing of this engagement materially changes for reasons beyond the control of Kaufman Hall. In the unlikely event that would occur, Kaufman Hall may be entitled to additional fees subject to the mutual agreement of the parties.

## AUTHORIZATION

We very much appreciate the opportunity to present this proposal and look forward to serving the District on this important assignment. Your signature below will indicate your agreement with this Addendum Three. Please sign and return via email or by fax to (847) 965-3511.

If you have additional questions or require further information, please feel free to contact Jody or Anu.

Sincerely,  
KAUFMAN, HALL & ASSOCIATES, LLC

This Addendum Three is accepted.  
DESERT HEALTHCARE DISTRICT

*Kaufman, Hall & Associates, LLC*

/sd

\_\_\_\_\_  
Authorizing Signature / Date

cc: Jody Hill-Mischel  
Anu Singh

\_\_\_\_\_  
Printed Name / Title





**DESERT HEALTHCARE**  
DISTRICT & FOUNDATION

Date: June 28, 2022  
To: Board of Directors  
Subject: Addendum #3 to the Consulting Services Agreement for Magdalena Martinez dba Personnel 411 HR Consulting – increasing to \$927/month plus special projects fees and extending the period to June 30, 2023

---

**Staff Recommendation:** Consideration to approve Addendum #3 to the Consulting Services Agreement for Magdalena Martinez dba Personnel 411 HR Consulting – increasing to \$927/month plus special projects fees and extending the period to June 30, 2023.

**Background:**

- In September 2019, the Board approved a Consulting Services Agreement with Magdalena Martinez to review personnel records, review employee handbook, conduct employment investigations, review compliance with regulatory trainings.
- Ms. Martinez continues to assist the district with human resource administrative guidance.
- Addendum #3 both, increases the monthly fee from \$900 to \$927, plus fees for special projects and extends the service agreement period to June 30, 2023.
- At the June 14, 2022, Finance & Administration Committee meeting, the Committee recommended forwarding the Addendum for consideration of approval by the full Board.
- Staff recommends approval of Addendum #3 of the Consulting Services Agreement for Magdalena Martinez dba Personnel 411 HR Consulting.

**Fiscal Impact:**

\$927 per month (\$11,124 annually), plus fees for special projects.

The HR Consultant is included in the District's FY22-23 annual budget.

**CONSULTING SERVICES AGREEMENT  
ADDENDUM #3**

A Professional Services Agreement (“Agreement”) was entered into by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and Magdalena Martinez dba Personnel 411 Consulting (“Consultant”) on September 30, 2019.

**R-E-C-I-T-A-L-S**

1. District would like to continue the professional services of Consultant to Human Resources Consulting Services.
2. Compensation for Services. The District shall compensate Consultant a flat monthly retainer of \$927.00.
3. Term. The term of this Addendum shall run from July 1, 2022 to June 30, 2023.
4. All other terms remain unchanged.

This Agreement is entered into in the County of Riverside, State of California.

“District”:

Desert Healthcare District

By: \_\_\_\_\_  
Karen Borja, President

Date: \_\_\_\_\_

“Consultant”:

Personnel 411 HR Consulting

By: \_\_\_\_\_  
Magdalena Martinez

Date: \_\_\_\_\_



Date: June 28, 2022  
To: Board of Directors  
Subject: Consideration to Approve Policies

---

**Staff Recommendation:** Consideration to approve updated policies

**Background:**

- The policies listed below have been determined to need review and/or revision.
- Foundation Bylaws – Revised and updated
- Stipend Ordinance & Resolution –Stipend increase to \$110.25 per meeting
- Policy #BOD-21 – Minor revisions
- Policy #BOD-18 – Review only
- Policy #FIN-02 – Minor revisions
- Policy #FIN-03 – Minor revisions
- Resolution FY22-23 Investment Policy
- Policy #FIN-05 – Minor revisions
- Remote Work Agreement – Updated – Information
- At the June 15, 2022, Board and Staff Communications and Policies Committee meeting, the Committee recommended forwarding the policies for consideration of approval by the full Board.

**Fiscal Impact:**

None

**AMENDED AND RESTATED BYLAWS**

**OF**

**DESERT HEALTHCARE FOUNDATION**

**(A California Nonprofit Public Benefit Corporation)**

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**AMENDED AND RESTATED BYLAWS  
OF  
DESERT HEALTHCARE FOUNDATION  
(A California Nonprofit Public Benefit Corporation)**

**ARTICLE I  
OBJECTIVES AND PURPOSES**

Section 1. General. Desert Healthcare Foundation (the “Foundation”) and all of its business and activities are to be operated and conducted in the promotion of its charitable and public objectives and purposes as specified in its Restated Articles of Incorporation (the “Articles”); and in the conduct of its affairs, the management shall at all times be mindful of these charitable and public objectives and purposes.

Section 2. Specific. The Foundation is committed to supporting the Desert Healthcare District (“District”), a public body organized and existing under and pursuant to the provisions of The Local Health Care District Law, namely section 32000 et seq., of the Health and Safety Code of the State of California, and its charitable and public purposes. In these bylaws, the term “district,” when not capitalized, is used in its geographic sense and means the territory over which the District exercises jurisdiction. The specific and primary purpose for which the Foundation exists is to promote the health of the communities within the geographic boundaries of the district including, but not limited to, by supporting improvements (including capital improvements) and expansions of health care related services and facilities and access thereto that will benefit the community, and by conducting charitable, scientific, public, and educational activities in support of the charitable and public purposes of the District. As part of the specific and primary purpose of the Foundation, it shall also encourage, obtain, and administer donations of funds, properties, bequests, annuities, and other instruments and properties of value and distribute money and property to or for the benefit of the District.

**ARTICLE II  
STATUTORY MEMBER**

Section 1. Statutory Member. Unless and until the Articles and this Section 1 of Article II of these bylaws are amended to provide otherwise, the District shall be the sole statutory member of the Foundation as the term “statutory member” is defined in section 5056 of the California Nonprofit Corporation Law (the “Statutory Member”). No amendment to this section 1 shall be valid or effective unless and until approved by the Statutory Member. Except as otherwise provided in these bylaws and not inconsistent with law, the Statutory Member shall have and be entitled to exercise fully all rights and privileges of a member of a nonprofit corporation under the California Nonprofit Corporation Law, as amended, and under all other applicable laws. In addition to these rights, the Statutory Member shall have the right to access all financial records, contracts, and agreements.

Section 2. Action by Statutory Member. Any and all action by the Statutory Member of the Foundation shall be effective when and as evidenced by a writing executed by an authorized representative of the Statutory Member and filed with the Secretary of the Foundation.

### **ARTICLE III** **SUPPORT GROUPS**

Section 1. General. The Board of Directors may by appropriate resolution from time to time define and establish auxiliaries, friends, and other support groups for the Foundation, but none of these auxiliaries, friends, or support groups or the constituents thereof shall be or have the rights and privileges of “members” within the meaning of section 5056 of the California Nonprofit Corporation Law with respect to the corporation.

### **ARTICLE IV** **BOARD OF DIRECTORS GOVERNORS**

Section 1. Powers. Subject to any limitations contained in the Articles or these bylaws and the limitations of the law, the activities and affairs of the Foundation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors is (sometimes referred to herein as the “Board”). The activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the direction of the Board.

Section 2. Limitation of Powers. Actions by the Foundation must be approved by the Statutory Member and shall include but shall not be limited to the following:

- (a) Changing the purpose or purposes of the Foundation;
- (b) Amending, repealing, or restating the Articles or bylaws of the Foundation;
- (c) Merging or consolidating the Foundation with one or more other corporations or organizations or affiliating the Foundation with one or more other corporations or organizations;
- (d) Selling or otherwise disposing of all or substantially all of the Foundation’s assets;
- (e) Voluntarily dissolving the Foundation;
- (f) Forming or acquiring an interest in any corporation, partnership, company, venture, association, organization, or other entity in which the Foundation will be the majority or controlling shareholder, partner, member, manager, venturer, associate, organizer, or owner; or



will exercise control of the entity, directly or indirectly, through any other mechanism or arrangement;

(g) Aggregate borrowing (including leases and sales contracts) in excess of a dollar amount stated in the bylaws or as established by the Statutory Member;

(h) Transactions outside the ordinary course of business;

(i) Approval of transactions involving the Foundation and an officer or director of the Foundation;

(j) The approval of the annual budget including any new programs or services;

(k) The appointment, termination, and compensation of the Chief Executive Officer.

Section 3. Number of Directors. The authorized number of Directors of the Foundation shall be ~~Seven~~Five (75). Directors shall be appointed pursuant to section 4.

Section 4. Qualifications and Appointment. Members of the Board of Directors shall qualify as a member of the Foundation Board when he or she becomes a member of the Board of Directors of the Statutory Member and shall be automatically appointed to the Foundation Board at that time.

Section 5. Term. The term of a Director shall run concurrent with each Directors term of office on the Board of Directors of the Statutory Member—.

Section 6. Vacancies.

(a) A vacancy or vacancies on the Board shall be deemed to exist when the Director is no longer a member of the Board of Directors of the Statutory Member, ~~or as provided in section (b) below.~~

~~(b) Subject to the provisions of Section five (5) above and section 5226 of the California Nonprofit Public Benefit Law, any Director may resign effective upon giving written notice to the President of the Board and President, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. If a Director resigns by giving notice specifying that such resignation shall be effective at a future time, the Board shall have the power to elect a successor to take office when the resignation becomes effective.~~

**Commented [ET1]:** Section deleted by legal counsel as resignation process is detailed in District Bylaws.

Section 7. Place of Meetings. Regular and special meetings of the Board of Directors shall be held within the district, except under the circumstances enumerated in section 54954(b) of the Government Code of the State of California. ~~In the absence of any other designation, meetings shall be held at the principal office of the Foundation.~~ If, by reason of fire, flood,

earthquake, or other emergency, if shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the President of the Board or his or her designee in a notice to the local media that have requested notice, by the most rapid means of communication available at the time.

Section 8. Regular Meetings. Regular meetings of the Board shall be held at the end of the Regular monthly meeting of the Statutory Member which are scheduled on the fourth (4) Tuesday of each month except in the month of August at approximately 6:00 p.m.; provided, however, that should said day fall on a holiday, ~~observed by the Foundation at its principal office~~, then said meeting shall be held at the same time on the next day thereafter which is a full business day.

Section 9. Closed Session Meetings. Nothing in these bylaws shall be construed to prevent the Board from holding closed session meetings in accordance with the Ralph M. Brown Act as amended which may include the following purposes: (i) to consider the appointment, employment, evaluation of performance, or dismissal of an employee or to hear complaints or charges brought against such employee by another person unless such employee requests a public hearing; (ii) to meet with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the Foundation, to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease; (iii) based on advice of its legal counsel, to confer with or receive advise from its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the Foundation in the litigation. The Board shall comply with all laws regarding the public reporting of actions taken by it in any closed session meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President of the Board or by a majority of the members of the Board of Directors for any purpose or purposes, by delivering personally or by mail written notice to each member of the Board of Directors and to each local newspaper of general circulation and radio or television station requesting notice in writing. The notice shall be delivered personally or by mail and shall be received at least twenty-four (24) hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the Board of Directors. The call and notice shall be posted at least twenty-four (24) hours prior to the special meeting in a location that is freely accessible to members of the public. ~~See section 13(a) of this article V for additional notice requirements applicable to special meetings called at least one week prior to the date set for the meeting.~~

Section 11. Emergency Meetings. Emergency meetings of the Board of Directors may be called at any time by the President of the Board ~~or the Vice President~~ or by any five or more members of the Board for an emergency situation that involves matters upon which prompt action is necessary due to the disruption or threatened disruption of health care services within the district. Emergency situations shall be limited to situations involving a work stoppage or other activity that severely impairs public health, safety, or both as determined by the Board, or a crippling disaster that severely impairs public health, safety, or both as determined by the Board. ~~See section 13(e) of this article V for the notice requirements applicable to emergency meetings.~~

## Section 12. Notice of Meetings.

(a) The Board of Directors shall mail or personally deliver notice of every regular meeting and every special meeting which is called at least one week prior to the date set for the meeting to any person who has filed a written request for such notice. Any mailed notice required pursuant to this section shall be mailed at least seventy-two (72) hours prior to the date set for the meeting to which it applies. All requests for notice shall remain in effect for one (1) year from the date on which they were filed. Renewal requests can be filed within the first three (3) months of each calendar year. The Board may establish a reasonable annual charge for providing notices of such meetings.

(b) See section 10 of this article V for additional notice requirements applicable to special meetings.

(c) Emergency meetings of the Board of Directors may be held without notice and without posting. However, each local newspaper of general circulation and radio or television station that has requested notice of special meetings shall be notified by the presiding officer of the Board, or designee thereof, one hour prior to the emergency meeting by telephone. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived and the Board, or designee of the Board, shall notify those newspapers, radio stations, or television stations of the facts of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

## Section 13. Agenda Requirements.

(a) At least seventy-two (72) hours prior to any regular meeting, the Board of Directors, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting. A brief general description of an item ~~generally need not exceed 20 words.~~ The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. To the extent allowed by law, the via teleconferencing.

(b) No action may be taken on any item not appearing on the posted agenda, except as follows: (i) members of the Board or its staff may briefly respond to statements made or questions posed by a persons exercising their public testimony rights, (ii) a member of the Board or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities, and (iii) a member of the Board, or the Board itself, may provide a reference to staff or other resources for factual information, request staff to report to the Board at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda. In addition, the Board may take action on items of business not appearing on the posted agenda: (i) upon a determination by a majority vote of the Board that an emergency situation exists; (ii) upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Foundation subsequent to the agenda being posted; and (iii) if the items were

posted on an agenda for a prior meeting of the Board that occurred not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) The agenda for each regular meeting shall provide an opportunity for members of the public to directly address the Board on any item of interest to the public, before or during the Board's consideration of the item, that is within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized under subsection (b) above. However, the agenda need not provide an opportunity for members of the public to address the Board on any item that has already been considered by a committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item, unless the item has been substantially changed since the committee heard the item, as determined by the Board. Every notice for a special meeting shall provide an opportunity for members of the public to directly address the Board concerning any item that has been described in the notice for the meeting before or during consideration of that item. The Board may adopt by resolution reasonable regulations including limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

Section 14. Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to the holding of a meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 15. Adjournment. The Board of Directors may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special, or adjourned special meeting was held within twenty-four (24) hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by resolution, by law, or by other rule.

Section 16. Fees and Compensation. Directors of the Foundation and members of committees shall not receive compensation for their services as Directors and committee members but may be reimbursed for expenses, as may be determined by the Board of Directors.

Section 17. Rights of Inspection. The accounting books and records and minutes of proceedings of the Board and committees of the Board and Articles and bylaws of the Foundation shall be open to inspection upon written demand on the Foundation by the Statutory Member or by any Director at any reasonable time.

Section 18. Conflict of Interest. The Board, through a committee designated for that purpose, shall require not less frequently than once a year a statement from each Director setting forth all business and other affiliations that relate in any way to the business of the Foundation. Each Director shall be responsible for disclosing to the Foundation any matter that would make such Director an “interested director” within the meaning of section 5233 of the California Nonprofit Public Benefit Corporation Law. In addition, each Director shall disclose to the Foundation any relationship or other factor that would cause the Director to be considered to be an “interested person” within the meaning of section 5227 of the California Nonprofit Public Benefit Corporation Law. The Board shall establish conflict-of-interest procedures in a written policy.

Section 19. Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is: (1) any person being compensated by the Foundation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee or independent contractor; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the Foundation.

## **ARTICLE V**

### **COMMITTEES**

#### **Section 1. Committees Generally.**

(a) The President of the Board may establish one or more committees. Committees may be either standing or ad hoc. All Committee members, shall be appointed by the President of the Board. No Committee shall have more than ~~three~~<sup>two</sup> Board members serving on the Committee.

Section 2. Standing Committees. Standing committees shall consist of the Finance, Administration, Real Estate, and Legal Committee (“Finance Committee”), the Program Committee, Budget Committee, and such other committees as the Board ~~President~~ may authorize from time to time. All Standing Committees shall be subject to the provision of the Ralph M. Brown Act.

Section 3. Special Ad Hoc Committees and Task Forces. Special committees and task forces may be appointed by the Board President for such special tasks as circumstances warrant. A task force shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act except such as is specifically conferred by action of the Board of Directors. Upon completion of the task for which appointed, such task force shall stand discharged.

Section 4. Membership; Appointment. The members of each committee shall be appointed by the Board President.

Section 5. Quorum; Meetings; Notice.

(a) A majority of the members of the committee shall constitute a quorum at any meeting of that committee.

(b) Each committee shall meet as often as is necessary to perform its duties. If a committee elects to provide for the holding of regular meetings, it must then provide by whatever rule is utilized by the committee for conduct of its business, for the time and place for holding such regular meeting.

Section 6. Vacancies. Vacancies in any committee shall be filled by the Board President.

Section 7. Budget Finance Committee. The ~~Budget~~Finance Committee shall include the Treasurer of the Board who shall be President of the ~~Budget~~Finance Committee. The ~~Budget~~Finance Committee shall review the annual operating budget and make recommendations to the Board of Directors. The ~~Budget~~Finance Committee also shall review the monthly financial statements of the Foundation and other programs sponsored by the Foundation and report the findings to the Board of Directors, and perform other such duties as the Board of Directors may specify.

## ARTICLE VI

### OFFICERS

Section 1. Officers of the Foundation. The officers of the Foundation shall be a President of the Board, a Vice President, ~~a~~a Secretary, and a Treasurer.

Section 2. Appointment of Officers. The offices of President of the Board, Vice President, ~~a~~a Secretary, and Treasurer shall be the same individuals who serve in that capacity as serve on the Board of the Statutory Member. -

Section 3. President of the Board. The President of the Board (sometimes referred to herein as the "President") shall preside at all meetings of the Board of the Foundation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and officers of the Foundation. The President shall possess the power to sign all certificates, contracts, or other instruments of the Foundation when he/she is so authorized by the Board of Directors. The President shall exercise and perform such other powers and duties as may be prescribed by the Board of Directors from time to time and such powers and duties usually vested in the office of President of the Board and President.

Section 4. Vice President/Secretary. In the absence of the President or in the event of the President's disability or inability to act, the Vice President/~~Secretary~~ shall perform all of the

duties of the President and in so acting shall have all of the powers of the President. The Vice President ~~Secretary~~ shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or by the President.

Section 5. ~~Secretary~~. The Secretary shall be responsible for the keeping of the minutes of all meetings of the Board and shall act as the custodian of Foundation records and reports. The Secretary may delegate Foundation Secretary duties to a qualified District staff member.

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Section ~~6~~5. Treasurer. The Treasurer ~~shall be the chief financial officer of the Foundation and~~ shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses, capital, and retained earnings. The books of account shall at all times be open to inspection by the Statutory Member or any Board member. The Treasurer may delegate Foundation Treasurer duties to a qualified financial officer of the Statutory Member.

Section 6. Clerk of the Board. The Board shall designate a Clerk who shall keep or cause to be kept a book of minutes at the principal office, or at such other place as the Board may order, of all meetings of the Board with the time and place of holding, whether regular or special, and if special how authorized, the notice thereof. The Clerk shall give or cause to be given notice of all the meetings of the Board required by these bylaws or by law to be given and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 7. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

## ARTICLE VII

### GENERAL PROVISIONS

Section 1. Offices. The Foundation shall have and continuously maintain a registered office in Palm Springs, California, and may have other offices within the State of California as the Board of Directors may from time to time determine.

Section 2. Distribution of Documents. Budgets, financial statements, strategic plans, and other documents (the "Documents"), except for those documents not related to hospital operations, which are distributed to all or a majority of the Board or a committee delegated the authority of the Board for discussion at such Board or committee meeting, are public records under the California Public Records Act. Documents that are public records and that are distributed prior to their discussion at a Board or committee meeting shall be made available for public inspection prior to the commencement of, and during, their discussion at such meeting, unless the content of such Document falls under an exception from disclosure under the Public Records Act or is discussed in a closed session. Documents which are public records and which

are distributed during their discussion at a Board or committee meeting shall be made available for public inspection during the meeting, or as soon thereafter as is practicable, unless the content of such Document falls under an exception from disclosure under the Public Records Act or is discussed in closed session.

Section 3. Minutes. The Foundation shall keep correct minutes of the proceedings of the Board and committees and minutes of open meetings of the Board and committees shall be available for public inspection.

Section 4. Annual Report. The Board of Directors shall cause an annual report to be prepared and a copy sent to the Statutory Member. The report shall contain all the information required by section 6321 of the California Nonprofit Corporation Law and shall be accompanied by any report thereon of independent accountants, or if there is no such report, the certificate of an authorized officer of the Foundation that such statements were prepared without audit from the books and records of the Foundation. The books and accounts of all other sponsored programs of the Foundation will be included in the scope of the annual report. The annual report shall be furnished to all Directors.

Section 5. Recordings of Meetings. Any person attending a meeting of the Board or a meeting of one of its committees shall have the right to record the proceedings with an audio or video tape recorder or a still or motion picture camera unless the Board or committee reasonably finds that such recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the meeting.

Section 6. Disorderly Conduct at Meetings. If any Board or committee meeting is willfully interrupted by a person or persons so as to render the orderly conduct of such meeting unfeasible and if order cannot be restored by the removal of the persons who are willfully interrupting the meeting, then the Board or committee members conducting the meeting may order the meeting room closed and continue the meeting. Representatives of the press or media, except those participating in the disturbance, shall be allowed to attend any meeting held by the Board or committee after the persons who have caused the disturbance have been ejected.

Section 7. Self-Dealing. In the exercise of voting rights by members of the Board, no individual shall discuss or vote on any issue, motion, or resolution which directly or indirectly inures to his or her benefit financially or with respect to which he or she has any other conflict of interest, except that such individual may be counted in order to qualify a quorum and shall fully disclose the nature of his or her interest. The members of the Board shall also be subject to the restrictions on self-dealing set forth in section 5233 of the California Corporations Code or any such successor statute.

Section 8. Checks; Drafts; Etc. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of or payable to the Foundation and any and all securities owned or held by the Foundation shall be signed or endorsed by such person or persons and in such manner as may from time to time be determined by the Board of Directors.



Section 9. Endorsement of Documents; Contracts. Any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing, and any assignment or endorsement thereof executed or entered into between the Foundation and any other person, when signed by the President, the Secretary, or the Treasurer shall be valid and binding on the Foundation in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Any such instrument may be signed by any other officer, agent, or employees and in such manner as shall from time to time be determined by the Board of Directors and, unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Foundation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 10. Fiscal Year. The fiscal year of this Foundation shall end on June 30th of each year.

Section 11. Public Inspection of Records. In accordance with section 6104 of the Internal Revenue Code, copies of the Foundation's application for tax exemption and any papers submitted in support of such application shall be made available by the Foundation for inspection at the request of any individual during regular business hours at the Foundation's principal place of business and at any regularly maintained regional or district office at the Foundation having three or more employees.

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Section 12~~4~~. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a legal entity and a natural person.

## ARTICLE VIII

### INDEMNIFICATION AND INSURANCE

Section 1. Right of Indemnity. To the fullest extent permitted by law, this corporation shall indemnify its Directors, officers, employees, and other persons described in section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses" as used in this bylaw shall have the same meaning as in section 5238(a) of the California Corporations Code.

Section 2. Approval of Indemnity. On written request to the Board of Directors by any person seeking indemnification under sections 5238(b) or 5238(c) of the California Corporations Code, the Board of Directors shall promptly determine under section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in sections

5238(b) or 5238(c) has been met and, if so, the Board of Directors shall authorize indemnification. If the Board of Directors cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board of Directors shall promptly cause an application to be made for court authorization pursuant to Corporations Code section 5238(e)(3).

Section 3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under this article X, in defending any proceeding covered by this article X, shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for these expenses.

Section 4. Insurance. The Foundation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising out of the officer, Director, employee, or agent's status as such.

## **ARTICLE IX**

### **AMENDMENT OF BYLAWS**

Section 1. Amendments. These bylaws, the Articles, and any part thereof may be amended or repealed only by the Statutory Member of the Foundation.

Section 2. Record of Amendments. Whenever a new bylaw or amendment thereto is adopted, it shall be included in the corporate minute book with the original bylaws. If any bylaw or amendment thereto is repealed, the fact of repeal with the date of the meeting or action by written consent when said repeal was adopted shall be stated in a writing placed in the corporate minute book with the original bylaws.

**AMENDED AND RESTATED BYLAWS**

**OF**

**DESERT HEALTHCARE FOUNDATION**

**(A California Nonprofit Public Benefit Corporation)**

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**AMENDED AND RESTATED BYLAWS  
OF  
DESERT HEALTHCARE FOUNDATION  
(A California Nonprofit Public Benefit Corporation)**

**ARTICLE I  
OBJECTIVES AND PURPOSES**

Section 1. General. Desert Healthcare Foundation (the “Foundation”) and all of its business and activities are to be operated and conducted in the promotion of its charitable and public objectives and purposes as specified in its Restated Articles of Incorporation (the “Articles”); and in the conduct of its affairs, the management shall at all times be mindful of these charitable and public objectives and purposes.

Section 2. Specific. The Foundation is committed to supporting the Desert Healthcare District (“District”), a public body organized and existing under and pursuant to the provisions of The Local Health Care District Law, namely section 32000 et seq., of the Health and Safety Code of the State of California, and its charitable and public purposes. In these bylaws, the term “district,” when not capitalized, is used in its geographic sense and means the territory over which the District exercises jurisdiction. The specific and primary purpose for which the Foundation exists is to promote the health of the communities within the geographic boundaries of the District including, but not limited to, by supporting improvements (including capital improvements) and expansions of health care related services and facilities and access thereto that will benefit the community, and by conducting charitable, scientific, public, and educational activities in support of the charitable and public purposes of the District. As part of the specific and primary purpose of the Foundation, it shall also encourage, obtain, and administer donations of funds, properties, bequests, annuities, and other instruments and properties of value and distribute money and property to or for the benefit of the District.

**ARTICLE II  
STATUTORY MEMBER**

Section 1. Statutory Member. Unless and until the Articles and this Section 1 of Article II of these bylaws are amended to provide otherwise, the District shall be the sole statutory member of the Foundation as the term “statutory member” is defined in section 5056 of the California Nonprofit Corporation Law (the “Statutory Member”). No amendment to this section 1 shall be valid or effective unless and until approved by the Statutory Member. Except as otherwise provided in these bylaws and not inconsistent with law, the Statutory Member shall have and be entitled to exercise fully all rights and privileges of a member of a nonprofit corporation under the California Nonprofit Corporation Law, as amended, and under all other applicable laws. In addition to these rights, the Statutory Member shall have the right to access all financial records, contracts, and agreements.

Section 2. Action by Statutory Member. Any and all actions by the Statutory Member of the Foundation shall be effective when and as evidenced by a writing executed by an authorized representative of the Statutory Member and filed with the Secretary of the Foundation.

### **ARTICLE III** **SUPPORT GROUPS**

Section 1. General. The Board of Directors may by appropriate resolution from time to time define and establish auxiliaries, friends, and other support groups for the Foundation, but none of these auxiliaries, friends, or support groups or the constituents thereof shall be or have the rights and privileges of “members” within the meaning of section 5056 of the California Nonprofit Corporation Law with respect to the corporation.

### **ARTICLE IV** **BOARD OF DIRECTORS**

Section 1. Powers. Subject to any limitations contained in the Articles or these bylaws and the limitations of the law, the activities and affairs of the Foundation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors is (sometimes referred to herein as the “Board”). The activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the direction of the Board.

Section 2. Limitation of Powers. Actions by the Foundation must be approved by the Statutory Member and shall include but shall not be limited to the following:

- (a) Changing the purpose or purposes of the Foundation;
- (b) Amending, repealing, or restating the Articles or bylaws of the Foundation;
- (c) Merging or consolidating the Foundation with one or more other corporations or organizations or affiliating the Foundation with one or more other corporations or organizations;
- (d) Selling or otherwise disposing of all or substantially all of the Foundation’s assets;
- (e) Voluntarily dissolving the Foundation;
- (f) Forming or acquiring an interest in any corporation, partnership, company, venture, association, organization, or other entity in which the Foundation will be the majority or controlling shareholder, partner, member, manager, venturer, associate, organizer, or owner; or will exercise control of the entity, directly or indirectly, through any other mechanism or arrangement;

- (g) Aggregate borrowing (including leases and sales contracts) in excess of a dollar amount stated in the bylaws or as established by the Statutory Member;
- (h) Transactions outside the ordinary course of business;
- (i) Approval of transactions involving the Foundation and an officer or director of the Foundation;
- (j) The approval of the annual budget including any new programs or services;
- (k) The appointment, termination, and compensation of the Chief Executive Officer.

Section 3. Number of Directors. The authorized number of Directors of the Foundation shall be seven (7). Directors shall be appointed pursuant to section 4.

Section 4. Qualifications and Appointment. Members of the Board of Directors shall qualify as a member of the Foundation Board when he or she becomes a member of the Board of Directors of the Statutory Member and shall be automatically appointed to the Foundation Board at that time.

Section 5. Term. The term of a Director shall run concurrent with each Directors term of office on the Board of Directors of the Statutory Member.

Section 6. Vacancies. A vacancy or vacancies on the Board shall be deemed to exist when the Director is no longer a member of the Board of Directors of the Statutory Member.

Section 7. Place of Meetings. Regular and special meetings of the Board of Directors shall be held within the district, except under the circumstances enumerated in section 54954(b) of the Government Code of the State of California. If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the President of the Board or his or her designee in a notice to the local media that have requested notice, by the most rapid means of communication available at the time.

Section 8. Regular Meetings. Regular meetings of the Board shall be held at the end of the regular monthly meeting of the Statutory Member which are scheduled on the fourth (4) Tuesday of each month except in the month of August at approximately 6:00 p.m.; provided, however, that should said day fall on a holiday, then said meeting shall be held at the same time on the next day thereafter which is a full business day.

Section 9. Closed Session Meetings. Nothing in these bylaws shall be construed to prevent the Board from holding closed session meetings in accordance with the Ralph M. Brown Act as amended which may include the following purposes: (i) to consider the appointment, employment, evaluation of performance, or dismissal of an employee or to hear complaints or



charges brought against such employee by another person unless such employee requests a public hearing; (ii) to meet with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the Foundation, to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease; (iii) based on advice of its legal counsel, to confer with or receive advice from its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the Foundation in the litigation. The Board shall comply with all laws regarding the public reporting of actions taken by it in any closed session meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President of the Board or by a majority of the members of the Board of Directors for any purpose or purposes, by delivering personally or by mail written notice to each member of the Board of Directors and to each local newspaper of general circulation and radio or television station requesting notice in writing. The notice shall be delivered personally or by mail and shall be received at least twenty-four (24) hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the Board of Directors. The call and notice shall be posted at least twenty-four (24) hours prior to the special meeting in a location that is freely accessible to members of the public.

Section 11. Emergency Meetings. Emergency meetings of the Board of Directors may be called at any time by the President of the Board or by any five or more members of the Board for an emergency situation that involves matters upon which prompt action is necessary due to the disruption or threatened disruption of health care services within the district. Emergency situations shall be limited to situations involving a work stoppage or other activity that severely impairs public health, safety, or both as determined by the Board, or a crippling disaster that severely impairs public health, safety, or both as determined by the Board.

Section 12. Notice of Meetings.

(a) The Board of Directors shall mail or personally deliver notice of every regular meeting and every special meeting which is called at least one week prior to the date set for the meeting to any person who has filed a written request for such notice. Any mailed notice required pursuant to this section shall be mailed at least seventy-two (72) hours prior to the date set for the meeting to which it applies. All requests for notice shall remain in effect for one (1) year from the date on which they were filed. Renewal requests can be filed within the first three (3) months of each calendar year. The Board may establish a reasonable annual charge for providing notices of such meetings.

(b) See section 10 of this article V for additional notice requirements applicable to special meetings.

(c) Emergency meetings of the Board of Directors may be held without notice and without posting. However, each local newspaper of general circulation and radio or television station that has requested notice of special meetings shall be notified by the presiding

officer of the Board, or designee thereof, one (1) hour prior to the emergency meeting by telephone. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived and the Board, or designee of the Board, shall notify those newspapers, radio stations, or television stations of the facts of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

### Section 13. Agenda Requirements.

(a) At least seventy-two (72) hours prior to any regular meeting, the Board of Directors, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. To the extent allowed by law, teleconferencing shall also be utilized.

(b) No action may be taken on any item not appearing on the posted agenda, except as follows: (i) members of the Board or its staff may briefly respond to statements made or questions posed by a persons exercising their public testimony rights, (ii) a member of the Board or its staff may ask a question for clarification, make a brief announcement, or make a brief report on their own activities, and (iii) a member of the Board, or the Board itself, may provide a reference to staff or other resources for factual information, request staff to report to the Board at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda. In addition, the Board may take action on items of business not appearing on the posted agenda: (i) upon a determination by a majority vote of the Board that an emergency situation exists; (ii) upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Foundation subsequent to the agenda being posted; and (iii) if the items were posted on an agenda for a prior meeting of the Board that occurred not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) The agenda for each regular meeting shall provide an opportunity for members of the public to directly address the Board on any item of interest to the public, before or during the Board's consideration of the item, that is within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized under subsection (b) above. However, the agenda need not provide an opportunity for members of the public to address the Board on any item that has already been considered by a committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item, unless the item has been substantially changed since the committee heard the item, as determined by the Board. Every notice for a special meeting shall provide an opportunity for members of the public to directly address the Board concerning any item that has been described in the notice for the meeting before or during consideration of that item. The Board may adopt by resolution

reasonable regulations including limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

Section 14. Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to the holding of a meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 15. Adjournment. The Board of Directors may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special, or adjourned special meeting was held within twenty-four (24) hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by resolution, by law, or by other rule.

Section 16. Fees and Compensation. Directors of the Foundation and members of committees shall not receive compensation for their services as Directors and committee members but may be reimbursed for expenses, as may be determined by the Board of Directors.

Section 17. Rights of Inspection. The accounting books and records and minutes of proceedings of the Board and committees of the Board and Articles and bylaws of the Foundation shall be open to inspection upon written demand on the Foundation by the Statutory Member or by any Director at any reasonable time.

Section 18. Conflict of Interest. The Board, through a committee designated for that purpose, shall require not less frequently than once a year a statement from each Director setting forth all business and other affiliations that relate in any way to the business of the Foundation. Each Director shall be responsible for disclosing to the Foundation any matter that would make such Director an “interested director” within the meaning of section 5233 of the California Nonprofit Public Benefit Corporation Law. In addition, each Director shall disclose to the Foundation any relationship or other factor that would cause the Director to be considered to be an “interested person” within the meaning of section 5227 of the California Nonprofit Public Benefit Corporation Law. The Board shall establish conflict-of-interest procedures in a written policy.

Section 19. Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is: (1) any person being compensated by the Foundation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee or independent contractor; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law,

sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the Foundation.

## **ARTICLE V**

### **COMMITTEES**

#### **Section 1. Committees Generally.**

(a) The President of the Board may establish one or more committees. Committees may be either standing or ad hoc. All committee members shall be appointed by the President of the Board. No committee shall have more than three Board members serving on the committee.

Section 2. Standing Committees. Standing committees shall consist of the Finance, Administration, Real Estate, and Legal Committee (“Finance Committee”), the Program Committee, and such other committees as the Board may authorize from time to time. All standing committees shall be subject to the provision of the Ralph M. Brown Act.

Section 3. Special Ad Hoc Committees and Task Forces. Special committees and task forces may be appointed by the Board President for such special tasks as circumstances warrant. A task force shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act except such as is specifically conferred by action of the Board of Directors. Upon completion of the task for which appointed, such task force shall stand discharged.

Section 4. Membership; Appointment. The members of each committee shall be appointed by the Board President.

#### **Section 5. Quorum; Meetings; Notice.**

(a) A majority of the members of the committee shall constitute a quorum at any meeting of that committee.

(b) Each committee shall meet as often as is necessary to perform its duties. If a committee elects to provide for the holding of regular meetings, it must then provide by whatever rule is utilized by the committee for conduct of its business, for the time and place for holding such regular meeting.

Section 6. Vacancies. Vacancies in any committee shall be filled by the Board President.

Section 7. Finance Committee. The Finance Committee shall include the Treasurer of the Board who shall be Chairman of the Finance Committee. The Finance Committee shall review the annual operating budget and make recommendations to the Board of Directors. The Finance Committee also shall review the monthly financial statements of the Foundation and

other programs sponsored by the Foundation, report the findings to the Board of Directors, and perform other such duties as the Board of Directors may specify.

Section 8. Program Committee. The Program Committee shall be responsible for making recommendations to the Board of Directors, where appropriate, on Foundation matters related to grant making and related programs.

## **ARTICLE VI**

### **OFFICERS**

Section 1. Officers of the Foundation. The officers of the Foundation shall be a President of the Board, a Vice President, a Secretary, and a Treasurer.

Section 2. Appointment of Officers. The offices of President of the Board, Vice President, Secretary, and Treasurer shall be the same individuals who serve in that capacity as serve on the Board of the Statutory Member.

Section 3. President of the Board. The President of the Board (sometimes referred to herein as the “President”) shall preside at all meetings of the Board of the Foundation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and officers of the Foundation. The President shall possess the power to sign all certificates, contracts, or other instruments of the Foundation when he/she is so authorized by the Board of Directors. The President shall exercise and perform such other powers and duties as may be prescribed by the Board of Directors from time to time and such powers and duties usually vested in the office of President of the Board and President.

Section 4. Vice President. In the absence of the President or in the event of the President’s disability or inability to act, the Vice President shall perform all of the duties of the President and in so acting shall have all of the powers of the President. The Vice President shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or by the President.

Section 5. Secretary. The Secretary shall be responsible for the keeping of the minutes of all meetings of the Board and shall act as the custodian of Foundation records and reports. The Secretary may delegate Foundation Secretary duties to a qualified District staff member.

Section 6. Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses, capital, and retained earnings. The books of account shall at all times be open to inspection by the Statutory Member or any Board member. The Treasurer may delegate Foundation Treasurer duties to a qualified financial officer of the Statutory Member.

Section 7. Clerk of the Board. The Board shall designate a Clerk who shall keep or cause to be kept a book of minutes at the principal office, or at such other place as the Board may

order, of all meetings of the Board with the time and place of holding, whether regular or special, and if special how authorized, the notice thereof. The Clerk shall give or cause to be given notice of all the meetings of the Board required by these bylaws or by law to be given and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 8. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

## **ARTICLE VII**

### **GENERAL PROVISIONS**

Section 1. Offices. The Foundation shall have and continuously maintain a registered office in Palm Springs, California, and may have other offices within the State of California as the Board of Directors may from time to time determine.

Section 2. Distribution of Documents. Budgets, financial statements, strategic plans, and other documents (the "Documents"), except for those documents not related to hospital operations, which are distributed to all or a majority of the Board or a committee delegated the authority of the Board for discussion at such Board or committee meeting, are public records under the California Public Records Act. Documents that are public records and that are distributed prior to their discussion at a Board or committee meeting shall be made available for public inspection prior to the commencement of, and during, their discussion at such meeting, unless the content of such Document falls under an exception from disclosure under the Public Records Act or is discussed in a closed session. Documents which are public records and which are distributed during their discussion at a Board or committee meeting shall be made available for public inspection during the meeting, or as soon thereafter as is practicable, unless the content of such Document falls under an exception from disclosure under the Public Records Act or is discussed in closed session.

Section 3. Minutes. The Foundation shall keep correct minutes of the proceedings of the Board and committees and minutes of open meetings of the Board and committees shall be available for public inspection.

Section 4. Annual Report. The Board of Directors shall cause an annual report to be prepared and a copy sent to the Statutory Member. The report shall contain all the information required by section 6321 of the California Nonprofit Corporation Law and shall be accompanied by any report thereon of independent accountants, or if there is no such report, the certificate of an authorized officer of the Foundation that such statements were prepared without audit from the books and records of the Foundation. The books and accounts of all other sponsored programs of the Foundation will be included in the scope of the annual report. The annual report shall be furnished to all Directors.

Section 5. Recordings of Meetings. Any person attending a meeting of the Board or a meeting of one of its committees shall have the right to record the proceedings with an audio or video tape recorder or a still or motion picture camera unless the Board or committee reasonably finds that such recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the meeting.

Section 6. Disorderly Conduct at Meetings. If any Board or committee meeting is willfully interrupted by a person or persons so as to render the orderly conduct of such meeting unfeasible and if order cannot be restored by the removal of the persons who are willfully interrupting the meeting, then the Board or committee members conducting the meeting may order the meeting room closed and continue the meeting. Representatives of the press or media, except those participating in the disturbance, shall be allowed to attend any meeting held by the Board or committee after the persons who have caused the disturbance have been ejected.

Section 7. Self-Dealing. In the exercise of voting rights by members of the Board, no individual shall discuss or vote on any issue, motion, or resolution which directly or indirectly inures to their benefit financially or with respect to which they have any other conflict of interest, except that such individual may be counted in order to qualify a quorum and shall fully disclose the nature of their interest. The members of the Board shall also be subject to the restrictions on self-dealing set forth in section 5233 of the California Corporations Code or any such successor statute.

Section 8. Checks; Drafts; Etc. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of or payable to the Foundation and any and all securities owned or held by the Foundation shall be signed or endorsed by such person or persons and in such manner as may from time to time be determined by the Board of Directors.

Section 9. Endorsement of Documents; Contracts. Any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing, and any assignment or endorsement thereof executed or entered into between the Foundation and any other person, when signed by the President, the Secretary, or the Treasurer shall be valid and binding on the Foundation in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Any such instrument may be signed by any other officer, agent, or employees and in such manner as shall from time to time be determined by the Board of Directors and, unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Foundation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 10. Fiscal Year. The fiscal year of this Foundation shall end on June 30th of each year.

Section 11. Public Inspection of Records. In accordance with section 6104 of the Internal Revenue Code, copies of the Foundation's application for tax exemption and any papers submitted in support of such application shall be made available by the Foundation for inspection at the request of any individual during regular business hours at the Foundation's principal place

of business and at any regularly maintained regional or district office at the Foundation having three or more employees.

Section 12. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both a legal entity and a natural person.

## **ARTICLE VIII**

### **INDEMNIFICATION AND INSURANCE**

Section 1. Right of Indemnity. To the fullest extent permitted by law, this corporation shall indemnify its Directors, officers, employees, and other persons described in section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. “Expenses” as used in this bylaw shall have the same meaning as in section 5238(a) of the California Corporations Code.

Section 2. Approval of Indemnity. On written request to the Board of Directors by any person seeking indemnification under sections 5238(b) or 5238(c) of the California Corporations Code, the Board of Directors shall promptly determine under section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in sections 5238(b) or 5238(c) has been met and, if so, the Board of Directors shall authorize indemnification. If the Board of Directors cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board of Directors shall promptly cause an application to be made for court authorization pursuant to the California Corporations Code section 5238(e)(3).

Section 3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under this article VIII, in defending any proceeding covered by this article VIII, shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for these expenses.

Section 4. Insurance. The Foundation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, against any liability asserted against or incurred by any



officer, Director, employee, or agent in such capacity or arising out of the officer, Director, employee, or agent's status as such.

## **ARTICLE IX**

### **AMENDMENT OF BYLAWS**

Section 1. Amendments. These bylaws, the Articles, and any part thereof may be amended or repealed only by the Statutory Member of the Foundation.

Section 2. Record of Amendments. Whenever a new bylaw or amendment thereto is adopted, it shall be included in the corporate minute book with the original bylaws. If any bylaw or amendment thereto is repealed, the fact of repeal with the date of the meeting or action by written consent when said repeal was adopted shall be stated in a writing placed in the corporate minute book with the original bylaws.

**ORDINANCE NO. 22-01**

**ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE DESERT HEALTHCARE DISTRICT  
INCREASING COMPENSATION OF DIRECTORS**

BE IT ORDAINED BY THE BOARD OF DIRECTORS (“Board”) OF THE DESERT HEALTHCARE DISTRICT (“District”) as follows:

Section 1. Health & Safety Code section 32103(b) provides that the Board may, by ordinance adopted pursuant to Water Code Section 20200 et seq., increase the amount of compensation received by Board members in an amount not to exceed 5 percent for each calendar year following the operative date of the last adjustment; and

Section 2. Water Code section 20203 requires that the ordinance increasing compensation must be considered after a public hearing and notice of the hearing shall be published in a newspaper of general circulation pursuant to Government Code section 6066; and

Section 3. Notice of the public hearing was published once a week for two successive weeks with at least five days intervening between the respective publication dates, with the period of notice commencing on the first day of publication and terminating at the end of the fourteenth day, all in accordance with Government Code section 6066.

Section 4. After the public hearing, the Board determined that each director shall receive compensation of \$110.25 for attending compensable meetings of Board members in accordance with Board Policy # BOD-21 related to the Meeting and Insurance Compensation section in the District’s Policies and Procedural Manual.

Section 5. This Ordinance shall not become effective until September 1, 2022 and shall be published once a week for two (2) successive weeks in accordance with Government Code section 6066 in a newspaper of general circulation within the District.

PASSED, APPROVED, AND ADOPTED by the board of Directors of the Desert Healthcare District at a Regular meeting held on this 28<sup>th</sup> day of June, 2022, by the following roll call vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Karen Borja, President, Board of Directors

ATTEST:

\_\_\_\_\_  
Carmina Zavala, MA, Secretary, Board of Directors

**RESOLUTION NO. 22-12**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE DESERT HEALTHCARE DISTRICT  
ADOPTING MEETING COMPENSATION GUIDELINES  
AND A POLICY OF SIX (6) MEETINGS PER MONTH**

WHEREAS, Health & Safety Code section 32103 authorizes the payment to members of the Board of Directors (“Board”) of \$110.25 per meeting, as adjusted pursuant to Water Code 2023, not to exceed six meetings per month, and allows payment of actual and necessary traveling and incidental expenses incurred in the performance of official duties.

WHEREAS, Health & Safety Code section 32103 provides that if the District compensates Board members for more than five meetings per month, the Board must annually adopt a written policy describing, based on findings supported by substantial evidence, why more than five meetings are necessary; and

WHEREAS, Government Code section 53232.1 outlines the meetings in which Board members may receive compensation; and

WHEREAS, the Board desires by this Resolution to adopt meeting compensation guidelines, a policy of six meetings per month, and the guidelines for reimbursable expenses in accordance with Health & Safety Code section 32103 and Government Code section 53232.1

THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

Section 1: The attached provisions of Board Policy # BOD-21 related to the Meeting and Insurance compensation section are hereby incorporated into this Resolution.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Desert Healthcare District held on June 28, 2022, by the following roll call vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Karen Borja, President,  
Board of Directors

ATTEST:

\_\_\_\_\_  
Carmina Zavala, Secretary,  
Board of Directors



**POLICY TITLE:** MEETING & INSURANCE COMPENSATION POLICY

**POLICY NUMBER:** BOD-21

**COMMITTEE APPROVAL:** ~~02-09-2021~~06-15-2022

**BOARD APPROVAL:** ~~02-23-2021~~06-28-2022

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**POLICY #BOD-21:** Meeting & Insurance Compensation Guidelines for the Desert Healthcare District ("District") Board of Directors ("Board").

A) Board Members may receive a stipend for attendance at up to 6 meetings per month, provided the meetings have a healthcare nexus or are related to the District's operations, mission, and vision, and include the following:

1. District Board and Board committee meetings.
2. Meetings for which a District Board member serves on the Desert Regional Medical Center's Board of Directors or its committees.
3. Attendance at ethics training.
4. Conferences and seminars held by organizations in which the District is a member, and for which the conference/seminar has a clear health care related nexus. Board members shall receive one stipend per conference or seminar.
5. Community meetings and events within the District, for which the meeting/event has a clear health care nexus, including the following:
  - a) Board, policy committee, and formal business meetings of organizations in which the District is a member.
  - b) Meetings with other government agencies or officials in which the subject involves health care or District business (e.g., State and local legislative officials, County Health & Human Services).
  - c) Formal Meetings requested, necessitated, or approved by the CEO.

B) Non-compensable meetings shall include the following:

1. Informal meetings with other Board members or with District staff members, regardless of the topic(s) addressed.



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DISTRICT & FOUNDATION

2. Meetings of a political nature, whether partisan or non-partisan, regardless of the topic(s) addressed.
3. Meetings for which payment of a stipend or honorarium is provided by the host organization.
4. Meetings of other public bodies, unless invited as a participant by the host body or sent as a delegate by the District Board.
5. Meetings of organizations in which the member holds an individual membership or the primary purpose of which is to receive continuing professional educational credits.
6. Charity fundraising events.

Board members shall have an opportunity to report on meetings attended at the next regularly scheduled Board meeting following the meeting for which a stipend is received. Any questions regarding interpretations of these guidelines should be addressed to the District's General Counsel.

If more than one Board meeting is held in succession on the same calendar day, they collectively shall count as a single meeting for the payment of a stipend. Such classification applies only to regular, special, closed and executive sessions and shall not apply to successive Committee meetings in which a Director may be a member.

C) Board members shall receive compensation of insurance premiums up to ~~\$10,000~~10,600 per fiscal year (July 1 to June 30). Insurance premiums (coverage may be applied to the Board member, their spouse or registered domestic partner, and eligible dependent children) include medical, dental, and vision and include any combination of the following.

1. Board member may receive insurance coverage through the District. Board member shall be responsible for reimbursing the District for premiums exceeding ~~\$10,000~~10,600 per fiscal year.
2. Reimburse Medicare premiums.
3. Reimburse supplemental insurance premiums.
4. Reimburse the portion of insurance premiums withheld from Board member's payroll.
5. Reimbursement does not apply to COBRA insurance premiums when Board member leaves office.



## **AUTHORITIES**

Desert Healthcare District Bylaws Article IV, section 4.6

Desert Healthcare District Resolution No. 19-08

## **DOCUMENT HISTORY**

Revised 06-28-2022

Revised 02-23-2021

Revised 04-23-2019

Approved 07-24-2018



**POLICY TITLE:** **MEETING & INSURANCE COMPENSATION POLICY**

**POLICY NUMBER:** BOD-21

**COMMITTEE APPROVAL:** 06-15-2022

**BOARD APPROVAL:** 06-28-2022

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**POLICY #BOD-21:** Meeting & Insurance Compensation Guidelines for the Desert Healthcare District ("District") Board of Directors ("Board").

A) Board Members may receive a stipend for attendance at up to 6 meetings per month, provided the meetings have a healthcare nexus or are related to the District's operations, mission, and vision, and include the following:

1. District Board and Board committee meetings.
2. Meetings for which a District Board member serves on the Desert Regional Medical Center's Board of Directors or its committees.
3. Attendance at ethics training.
4. Conferences and seminars held by organizations in which the District is a member, and for which the conference/seminar has a clear health care related nexus. Board members shall receive one stipend per conference or seminar.
5. Community meetings and events within the District, for which the meeting/event has a clear health care nexus, including the following:
  - a) Board, policy committee, and formal business meetings of organizations in which the District is a member.
  - b) Meetings with other government agencies or officials in which the subject involves health care or District business (e.g., State and local legislative officials, County Health & Human Services).
  - c) Formal Meetings requested, necessitated, or approved by the CEO.

B) Non-compensable meetings shall include the following:

1. Informal meetings with other Board members or with District staff members, regardless of the topic(s) addressed.



2. Meetings of a political nature, whether partisan or non-partisan, regardless of the topic(s) addressed.
3. Meetings for which payment of a stipend or honorarium is provided by the host organization.
4. Meetings of other public bodies, unless invited as a participant by the host body or sent as a delegate by the District Board.
5. Meetings of organizations in which the member holds an individual membership or the primary purpose of which is to receive continuing professional educational credits.
6. Charity fundraising events.

Board members shall have an opportunity to report on meetings attended at the next regularly scheduled Board meeting following the meeting for which a stipend is received. Any questions regarding interpretations of these guidelines should be addressed to the District's General Counsel.

If more than one Board meeting is held in succession on the same calendar day, they collectively shall count as a single meeting for the payment of a stipend. Such classification applies only to regular, special, closed and executive sessions and shall not apply to successive Committee meetings in which a Director may be a member.

- C) Board members shall receive compensation of insurance premiums up to \$10,600 per fiscal year (July 1 to June 30). Insurance premiums (coverage may be applied to the Board member, their spouse or registered domestic partner, and eligible dependent children) include medical, dental, and vision and include any combination of the following.
1. Board member may receive insurance coverage through the District. Board member shall be responsible for reimbursing the District for premiums exceeding \$10,600 per fiscal year.
  2. Reimburse Medicare premiums.
  3. Reimburse supplemental insurance premiums.
  4. Reimburse the portion of insurance premiums withheld from Board member's payroll.
  5. Reimbursement does not apply to COBRA insurance premiums when Board member leaves office.





## **AUTHORITIES**

Desert Healthcare District Bylaws Article IV, section 4.6

Desert Healthcare District Resolution No. 19-08

## **DOCUMENT HISTORY**

Revised 06-28-2022

Revised 02-23-2021

Revised 04-23-2019

Approved 07-24-2018

DRAFT



**POLICY TITLE:** **TICKET DISTRIBUTION POLICY**

**POLICY NUMBER:** BOD-18

**COMMITTEE APPROVAL:** [06-15-2022](#)~~[104-23-2019](#)~~

**BOARD APPROVAL:** [06-28-2022](#)~~[104-23-2019](#)~~

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**POLICY #BOD-18:** From time to time the Desert Healthcare District and Desert Healthcare Foundation (collectively referred to herein as "District") receives event tickets and/or passes from public and private entities and individuals or purchases event tickets and/or passes in connection with the District's operations and activities in furtherance of the District's public purposes. These tickets and/or passes purchased or received by the District are public resources of the District.

The District desires to use such tickets and/or passes to further governmental and public purposes of the District, such as the promotion of the District's activities and programs, and to avail the District and its officials, as defined in Government Code Section 82048 and Fair Political Practices Commission Regulation 18701 (Title 2, Division 6, California Code of Regulations referred to herein as "FPPC Regulation"), of the ability to distribute tickets and/or passes pursuant to FPPC Regulation 18944.1. The furtherance of the District's governmental and public purposes may require the distribution of said tickets and/or passes to "public officials," as that term is defined in Government Code Section 82048; and

FPPC Regulation 18944.1(e) requires that any distribution of said tickets and/or passes to, or at the behest of, an authorized District Official must be made pursuant to a duly adopted written policy, if such distribution is made under that regulation, and that the District must receive value equal to or greater than the value of the event ticket or pass it distributes to a District Official. As provided in FPPC Regulation 18944.1(c), such tickets and/or passes distributed in accordance with a duly adopted policy are not considered gifts to public officials. Accordingly, the Board of Directors of the Desert Healthcare District adopts the following Ticket Distribution policy:

Section 1: Definitions.



- a. "District Official" shall mean and refer to a District "public official" as that term is defined by Government Code Section 82048 and FPPC Regulation 18701 and shall include Board members, employees, and consultants required to file an annual Statement of Economic Interest Form 700.
- b. "Authorized District Official" shall mean a Board member or the [Chief Executive Officer \("CEO"\)](#) who shall be authorized to request the District's purchase of tickets or passes in accordance with Section 5 below.
- c. "Ticket" or "pass" as these terms are defined in FPPC Regulation 18944.1, as amended, and as of this date means admission to a facility, event, show, or performance for entertainment, amusement, recreation, or similar purpose.
- d. "Ticket Coordinator" shall mean the CEO or ~~their~~[his or her](#) designee who shall be responsible for distributing tickets in accordance with this policy and completing and posting the FPPC Form 802.

**Section 2: Purpose of the Policy.** The purpose of this Policy is to ensure that all tickets and passes the District receives from public and private entities and individuals, which are either complimentary or purchased by the District, are distributed in furtherance of a public purpose of the District and are not utilized for any election-related purposes.

**Section 3: Limitation.** This Policy shall only apply to the District's distribution of tickets and/or passes to, or those that are purchased at the behest of, an Authorized District Official.

**Section 4: Public Purposes for Ticket Distribution.** The following list is illustrative, rather than exhaustive, of the public purposes the District may accomplish by the distribution of tickets to, or at the behest of, a District Official:

- a. Representation of the District at events on federal, state, and regional levels.
- b. Representation and promotion of the Desert Healthcare District at District sponsored or supported community events and programs.
- c. Increasing public exposure to and awareness of District sponsorships, grants, initiatives, projects, and facilities related to promoting the mission and vision of the District.



- d. Promotion of District issues and representation at events sponsored by other governmental entities or government-related industry groups and non-profit organizations.
- e. Recognizing or rewarding meritorious service by any District Official or employee and recognizing contributions made by current and former District Officials.

**Section 5: Purchase of Tickets or Passes.** Authorized District Officials may request the Ticket Coordinator purchase up to two (2) tickets in accordance with the public purposes of this policy for use by the District Official, an immediate family member (spouse or dependent children), or one other person. \$20,000 per fiscal year beginning July 1, 2019 shall be budgeted for the purchase of tickets and the purchase of tickets for use by any individual Authorized District Official shall not exceed \$2,500 per fiscal year.

**Section 6: Transfer Prohibition.** The transfer by any District Official of any ticket distributed pursuant to this policy to any other person, except to other District Officials and staff members of the District, is prohibited. For tickets or passes that are unable to be used by the original recipient, the Ticket ~~Coordinator~~Administrator shall have the discretion to redistribute to other District Officials or, staff members, ~~or community members~~.

**Section 7: Posting Form 802 on Website.** Within thirty (30) days of distributing a ticket or pass, the District shall post a completed FPPC Form 802 on the District's website.

**Section 8: Exemptions to Policy.** Tickets or passes that are not subject to this policy include the following:

- a. Ceremonial Role or Function. Tickets or passes provided to an Authorized District Official where the official will perform a ceremonial role or function on behalf of the District are not considered gifts to the Authorized District Official.
- b. Reimbursement. The Authorized District Official reimburses the District for the face value of the ticket or pass within thirty (30) days of receipt or acceptance of the ticket or pass, as defined in the Political Reform Act.
- c. Income. The Authorized District Official treats the ticket or pass as income consistent with federal and state income tax laws and reports distribution of



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the tickets or passes as income to the Authorized District Official on the FPPC Form 802. The official will also have to report it as a gift on their 700 Forms.

- d. Political and Non-Profit Fundraisers. Ticket(s) (up to two) to political and non-profit events that are provided directly to the public official by the political committee or 501(c)(3) organization and do not involve the District are not considered gifts (Regulation 18944.1).

**AUTHORITIES**

Desert Healthcare District Bylaws Article V, section 5.6  
Desert Healthcare District Resolution No. 19-05

**DOCUMENT HISTORY**

<u>Revised</u>	<u>06-28-2022</u>
Approved	04-23-2019



**POLICY TITLE:** TICKET DISTRIBUTION POLICY

**POLICY NUMBER:** BOD-18

**COMMITTEE APPROVAL:** 06-15-2022

**BOARD APPROVAL:** 06-28-2022

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**POLICY #BOD-18:** From time to time the Desert Healthcare District and Desert Healthcare Foundation (collectively referred to herein as "District") receives event tickets and/or passes from public and private entities and individuals or purchases event tickets and/or passes in connection with the District's operations and activities in furtherance of the District's public purposes. These tickets and/or passes purchased or received by the District are public resources of the District.

The District desires to use such tickets and/or passes to further governmental and public purposes of the District, such as the promotion of the District's activities and programs, and to avail the District and its officials, as defined in Government Code Section 82048 and Fair Political Practices Commission Regulation 18701 (Title 2, Division 6, California Code of Regulations referred to herein as "FPPC Regulation"), of the ability to distribute tickets and/or passes pursuant to FPPC Regulation 18944.1. The furtherance of the District's governmental and public purposes may require the distribution of said tickets and/or passes to "public officials," as that term is defined in Government Code Section 82048; and

FPPC Regulation 18944.1(e) requires that any distribution of said tickets and/or passes to, or at the behest of, an authorized District Official must be made pursuant to a duly adopted written policy, if such distribution is made under that regulation, and that the District must receive value equal to or greater than the value of the event ticket or pass it distributes to a District Official. As provided in FPPC Regulation 18944.1(c), such tickets and/or passes distributed in accordance with a duly adopted policy are not considered gifts to public officials. Accordingly, the Board of Directors of the Desert Healthcare District adopts the following Ticket Distribution policy:

Section 1: Definitions.



- a. "District Official" shall mean and refer to a District "public official" as that term is defined by Government Code Section 82048 and FPPC Regulation 18701 and shall include Board members, employees, and consultants required to file an annual Statement of Economic Interest Form 700.
- b. "Authorized District Official" shall mean a Board member or the Chief Executive Officer ("CEO") who shall be authorized to request the District's purchase of tickets or passes in accordance with Section 5 below.
- c. "Ticket" or "pass" as these terms are defined in FPPC Regulation 18944.1, as amended, and as of this date means admission to a facility, event, show, or performance for entertainment, amusement, recreation, or similar purpose.
- d. "Ticket Coordinator" shall mean the CEO or their designee who shall be responsible for distributing tickets in accordance with this policy and completing and posting the FPPC Form 802.

**Section 2: Purpose of the Policy.** The purpose of this Policy is to ensure that all tickets and passes the District receives from public and private entities and individuals, which are either complimentary or purchased by the District, are distributed in furtherance of a public purpose of the District and are not utilized for any election-related purposes.

**Section 3: Limitation.** This Policy shall only apply to the District's distribution of tickets and/or passes to, or those that are purchased at the behest of, an Authorized District Official.

**Section 4: Public Purposes for Ticket Distribution.** The following list is illustrative, rather than exhaustive, of the public purposes the District may accomplish by the distribution of tickets to, or at the behest of, a District Official:

- a. Representation of the District at events on federal, state, and regional levels.
- b. Representation and promotion of the Desert Healthcare District at District sponsored or supported community events and programs.
- c. Increasing public exposure to and awareness of District sponsorships, grants, initiatives, projects, and facilities related to promoting the mission and vision of the District.





- d. Promotion of District issues and representation at events sponsored by other governmental entities or government-related industry groups and non-profit organizations.
- e. Recognizing or rewarding meritorious service by any District Official or employee and recognizing contributions made by current and former District Officials.

**Section 5: Purchase of Tickets or Passes.** Authorized District Officials may request the Ticket Coordinator purchase up to two (2) tickets in accordance with the public purposes of this policy for use by the District Official, an immediate family member (spouse or dependent children), or one other person. \$20,000 per fiscal year beginning July 1, 2019 shall be budgeted for the purchase of tickets and the purchase of tickets for use by any individual Authorized District Official shall not exceed \$2,500 per fiscal year.

**Section 6: Transfer Prohibition.** The transfer by any District Official of any ticket distributed pursuant to this policy to any other person, except to other District Officials and staff members of the District, is prohibited. For tickets or passes that are unable to be used by the original recipient, the Ticket Coordinator shall have the discretion to redistribute to other District Officials or staff members.

**Section 7: Posting Form 802 on Website.** Within thirty (30) days of distributing a ticket or pass, the District shall post a completed FPPC Form 802 on the District's website.

**Section 8: Exemptions to Policy.** Tickets or passes that are not subject to this policy include the following:

- a. **Ceremonial Role or Function.** Tickets or passes provided to an Authorized District Official where the official will perform a ceremonial role or function on behalf of the District are not considered gifts to the Authorized District Official.
- b. **Reimbursement.** The Authorized District Official reimburses the District for the face value of the ticket or pass within thirty (30) days of receipt or acceptance of the ticket or pass, as defined in the Political Reform Act.
- c. **Income.** The Authorized District Official treats the ticket or pass as income consistent with federal and state income tax laws and reports distribution of the tickets or passes as income to the Authorized District Official on the FPPC Form 802. The official will also have to report it as a gift on their 700 Forms.





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- d. Political and Non-Profit Fundraisers. Ticket(s) (up to two) to political and non-profit events that are provided directly to the public official by the political committee or 501(c)(3) organization and do not involve the District are not considered gifts (Regulation 18944.1).

**AUTHORITIES**

Desert Healthcare District Bylaws Article V, section 5.6

Desert Healthcare District Resolution No. 19-05

**DOCUMENT HISTORY**

Revised 06-28-2022

Approved 04-23-2019



**POLICY TITLE:** AUTHORIZED CHECK SIGNERS, NUMBER OF SIGNERS, DOLLAR LIMIT FOR SIGNERS, TRANSFER OF FUNDS

**POLICY NUMBER:** FIN-02

**COMMITTEE APPROVAL:** 06-15-2022~~06-17-2020~~

**BOARD APPROVAL:** 06-28-2022~~06-23-2020~~

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**POLICY #FIN-02:** It is the policy of the Desert Healthcare District's Board of Directors ("Board") to prudently disburse funds of the Desert Healthcare District ("District") in order to maintain Board-level oversight. It is intended that this policy covers all accounts and disbursement activities of the District and the Desert Healthcare Foundation ("Foundation").

**GUIDELINES:**

1. Authorized signers on District and Foundation bank accounts are to be ~~all~~a minimum of four (4) Board Members, including the Chairperson of the Finance & Administration Committee and the Chief Executive Officer (CEO).
2. Checks under \$5,000.00 only require one signature. The CEO may be the one signer for any budgeted or Board approved item.
3. Checks ~~over~~ \$5,000.00 and over require two signatures. (The CEO and one ~~B~~board member or two ~~B~~board members).
4. Checks payable to a check signer (or associated with the check signer) are to be signed by other authorized signers.
5. External Transfer~~transfer~~ of funds are to be authorized by the District/Foundation Treasurer, ~~or Board President, or any other authorized Director.~~ Transfer of funds between internal operating accounts (District, Foundation, & Las Palmas Medical Plaza) is permitted by the Chief Administration Officer.



## **AUTHORITY**

Desert Healthcare District Bylaws Article V, section 5.6 & Article VII

## **DOCUMENT HISTORY**

Revised 06-28-2022

Revised 06-23-2020

Approved 03-22-2016



**POLICY TITLE:** **AUTHORIZED CHECK SIGNERS, NUMBER OF SIGNERS, DOLLAR LIMIT FOR SIGNERS, TRANSFER OF FUNDS**

**POLICY NUMBER:** FIN-02

**COMMITTEE APPROVAL:** 06-15-2022

**BOARD APPROVAL:** 06-28-2022

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**POLICY #FIN-02:** It is the policy of the Desert Healthcare District's Board of Directors ("Board") to prudently disburse funds of the Desert Healthcare District ("District") in order to maintain Board-level oversight. It is intended that this policy covers all accounts and disbursement activities of the District and the Desert Healthcare Foundation ("Foundation").

**GUIDELINES:**

1. Authorized signers on District and Foundation bank accounts are to be a minimum of four (4) Board Members, including the Chairperson of the Finance & Administration Committee and the Chief Executive Officer (CEO).
2. Checks under \$5,000.00 only require one signature. The CEO may be the one signer for any budgeted or Board approved item.
3. Checks \$5,000.00 and over require two signatures. (The CEO and one Board member or two Board members).
4. Checks payable to a check signer (or associated with the check signer) are to be signed by other authorized signers.
5. External transfer of funds are to be authorized by the District/Foundation Treasurer or any other authorized Director. Transfer of funds between internal operating accounts (District, Foundation, & Las Palmas Medical Plaza) is permitted by the Chief Administration Officer.

**AUTHORITY**



Desert Healthcare District Bylaws Article V, section 5.6 & Article VII

**DOCUMENT HISTORY**

Revised	06-28-2022
Revised	06-23-2020
Approved	03-22-2016



**POLICY TITLE:** **STATEMENT OF INVESTMENT POLICY**

**POLICY NUMBER:** FIN-03

**COMMITTEE APPROVAL:** 06-15-2022~~06-17-2020~~

**BOARD APPROVAL:** 06-28-2022~~06-23-2020~~  
Resolution 20-04

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**POLICY #FIN-03:** It is the policy of the Desert Healthcare District (“District”) Board of Directors pursuant to Government Code Section 53646 to annually approve a Statement of Investment Policy.

1. District funds not required for immediate expenditures will be invested in compliance with the provisions of Government Code section 53600-53683.
  - 1.a Criteria for selecting investments and the absolute order of priority are safety, liquidity, and yield.
  - 1.b Investments will be made in a range of instruments and maturity dates to ensure diversification and liquidity of assets in an emergency or when a large cash outlay is necessary.
2. The instruments of investment to be used are Certificates of Deposit, Local Agency Investment Fund, Treasury Bills and Notes, U.S. Governmental Agency Obligations, Repurchase Agreements, and Savings Accounts.
  - 2.a. Deposits will be fully collateralized as required by Government Code Section 53652 or insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and the Contract for Deposit of Monies will indicate the type and amount of collateral.
  - 2.b. Investments in repurchased agreements or reverse purchase agreements shall not be made without the prior approval of the Board of Directors and shall be subjected to the provisions of Government Code Section 53601.



2.c. All Certificates of Deposit shall mature no later than one (1) year from the date of investment and Governmental Instruments shall mature no later than five (5) years from the date of investment.

3. No investment shall be made pursuant to the provisions of Government Code Section 53601.1. in financial futures or financial option contracts without the prior approval of the Board of Directors. Only a Primary Government Securities Dealer shall be used for the purchase of Agency Obligations.

3.a. No Investments shall be made in stocks or holdings of companies which manufacture or sell tobacco products and firearms, or securities of companies in the soft drink ~~or~~ restaurant, alcohol, or cannabis industries.

3.b. A list of investments will be submitted to the Board of Directors on a quarterly basis indicating type, purchase and maturity dates, rate, amount, fund, and percentages.

3.c. A committee of the Board of Directors shall meet no less than on a quarterly basis with staff and District consultants to review District investments, to appraise market conditions, and report to the Board of Directors.

## **AUTHORITY**

State of California Government Code Section 53646  
Desert Healthcare District Resolution No. 20-04

## **DOCUMENT HISTORY**

<u>Reviewed</u>	<u>06-28-2022</u>
Revised	06-23-2020
Approved	06-28-2016



**POLICY TITLE:** **STATEMENT OF INVESTMENT POLICY**

**POLICY NUMBER:** FIN-03

**COMMITTEE APPROVAL:** 06-15-2022

**BOARD APPROVAL:** 06-28-2022  
Resolution 20-04

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**POLICY #FIN-03:** It is the policy of the Desert Healthcare District (“District”) Board of Directors pursuant to Government Code Section 53646 to annually approve a Statement of Investment Policy.

1. District funds not required for immediate expenditures will be invested in compliance with the provisions of Government Code section 53600-53683.
  - 1.a Criteria for selecting investments and the absolute order of priority are safety, liquidity, and yield.
  - 1.b Investments will be made in a range of instruments and maturity dates to ensure diversification and liquidity of assets in an emergency or when a large cash outlay is necessary.
2. The instruments of investment to be used are Certificates of Deposit, Local Agency Investment Fund, Treasury Bills and Notes, U.S. Governmental Agency Obligations, Repurchase Agreements, and Savings Accounts.
  - 2.a. Deposits will be fully collateralized as required by Government Code Section 53652 or insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and the Contract for Deposit of Monies will indicate the type and amount of collateral.
  - 2.b. Investments in repurchased agreements or reverse purchase agreements shall not be made without the prior approval of the Board of Directors and shall be subjected to the provisions of Government Code Section 53601.





- 2.c. All Certificates of Deposit shall mature no later than one (1) year from the date of investment and Governmental Instruments shall mature no later than five (5) years from the date of investment.
3. No investment shall be made pursuant to the provisions of Government Code Section 53601.1. in financial futures or financial option contracts without the prior approval of the Board of Directors. Only a Primary Government Securities Dealer shall be used for the purchase of Agency Obligations.
- 3.a. No Investments shall be made in stocks or holdings of companies which manufacture or sell tobacco products and firearms, or securities of companies in the soft drink, restaurant, alcohol, or cannabis industries.
- 3.b. A list of investments will be submitted to the Board of Directors on a quarterly basis indicating type, purchase and maturity dates, rate, amount, fund, and percentages.
- 3.c. A committee of the Board of Directors shall meet no less than on a quarterly basis with staff and District consultants to review District investments, to appraise market conditions, and report to the Board of Directors.

## **AUTHORITY**

State of California Government Code Section 53646  
Desert Healthcare District Resolution No. 20-04

## **DOCUMENT HISTORY**

Reviewed	06-28-2022
Revised	06-23-2020
Approved	06-28-2016

## **RESOLUTION NO. 22-13**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT HEALTHCARE DISTRICT APPROVING STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2022/2023**

WHEREAS, pursuant to Government Code section 53646, the Board of Directors of the Desert Healthcare District shall annually approve a Statement of Investment Policy; and

WHEREAS, the annual Statement of Investment Policy of the Desert Healthcare District is as follows:

Desert Healthcare District (“District”) funds not required for immediate expenditure will be invested in compliance with the provisions of Government Code sections 53600-53683. Criteria for selecting investments and the absolute order of priority are safety, liquidity, and yield. Investments will be made in a range of instruments and maturity dates to insure diversification and liquidity of assets in an emergency or when a large cash outlay is necessary.

The instruments of investment to be used are Certificates of Deposit, Local Agency Investment Fund, Treasury Bills and Notes, U.S. governmental Agency Obligations, Repurchase Agreements, and Savings Accounts. Deposits will be fully collateralized as required by government Code section 53652 or insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and the Contract for Deposit of Monies will indicate the type and amount of collateral.

Investments in repurchase agreements or reverse purchase agreements shall not be made without the prior approval of the Board of Directors and shall be subject to the provisions of Government Code section 53601.

All Certificates of Deposit shall mature not later than one (1) year from the date of investment and Governmental Instruments shall mature not later than five (5) years from the date of investment.

No investment shall be made pursuant to the provisions of Government Code section 53601.1 in financial futures or financial option contracts without the prior approval of the Board of Directors. Only a Primary Government Securities Dealer shall be used for the purchase of Agency Obligations.

No Investments shall be made in stocks or holdings of companies which manufacture or sell tobacco products and firearms, or securities of companies in the soft drink, restaurant, alcohol, and cannabis industries.

Adhering to the provisions of this Statement of Investment Policy, the Chief Executive Officer with District consultants shall coordinate the investment of surplus funds with guidance and approval from the Treasurer and the Board of Directors.

A list of investments will be submitted to the Board of Directors on a quarterly basis indicating type, purchase and maturity dates, rate, amount, fund, and percentages.

A committee of the Board of Directors shall meet no less than on a quarterly basis with staff and District consultants to review District investments, to appraise market conditions, and report to the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Desert Healthcare District as follows:

Section 1: The Annual Statement of Investment Policy for fiscal year 2022/2023 is hereby approved and the District Treasurer is directed to follow this Statement of Investment Policy in investing District funds.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Board of Directors of the Desert Healthcare District held on June 28, 2022 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Karen Borja, President  
Board of Directors

ATTEST:

\_\_\_\_\_  
Carmina Zavala, PsyD, Secretary  
Board of Directors



**POLICY TITLE:** CREDIT CARD USAGE

**POLICY NUMBER:** FIN-05

**COMMITTEE APPROVAL:** 06-15-2022~~06-17-2020~~

**BOARD APPROVAL:** 06-28-2022~~06-23-2020~~

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**POLICY #FIN-05:** It is the policy of the Desert Healthcare District ("District") Board of Directors to prescribe the internal controls for management of the District & Foundation credit card(s).

1. Scope. –In general, it is the policy of the District to establish accounts with vendors for invoicing. –Credit cards are to be used only for one-time purchases making account establishment impractical, or only for situations where payment by check is not possible (e.g., on-line trainings, etc.).
2. A District credit card will be issued to the Chief Executive Officer (CEO) and/or the Chief Administration Officer (CAO). A Foundation credit card will be issued to the CEO, CAO, and Chief of Community Engagement (CCE). The credit card will not be issued to or used by members of the Board of Directors.
  - 2.a All credit card bills will be paid in a timely manner to avoid late fees and finance charges, whenever possible.
  - 2.b All credit card expenses will be reasonable and necessary to the furtherance of District/Foundation business. No personal expenses will be charged on a District/Foundation credit card. If there is an overlap on a transaction between personal and District/Foundation business, the employee will pay for the transaction personally and then request reimbursement by the District/Foundation. In the event of a charge which includes both personal and District/Foundation business, reimbursement shall be made to the District/Foundation immediately.
  - 2.c All credit card transactions will have third-party documents (receipts) attached and the District/Foundation purpose annotated by the cardholder.



**DESERT HEALTHCARE**  
DISTRICT & FOUNDATION

2.d The Chief Administration Officer will review and approve credit card transactions by all cardholders. The Chief Executive Officer will review and approve credit card transactions by the Chief Administration Officer. The credit card expenditure report~~bill~~ with amounts~~receipts~~ and purpose will be reviewed by the Finance, Legal, Administration, and Real Estate Committee each month.

**AUTHORITY**

Desert Healthcare District Bylaw Article IV, section 4.1

**DOCUMENT HISTORY**

<u>Revised</u>	<u>06-28-2022</u>
Revised	06-23-2020
Approved	06-28-2016



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**COMMITTEE APPROVAL:** 06-15-2022

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## **AUTHORITY**

Desert Healthcare District Bylaw Article IV, section 4.1

## **DOCUMENT HISTORY**

Revised	06-28-2022
Revised	06-23-2020
Approved	06-28-2016



## Grant Application Scoring Rubric



Category	Meets expectations (10-6 points)	Does not meet expectations (0-5 points)
<b>Programmatic Review</b>		
<b>Executive Summary of the Project</b> (10 points)	The applicant <b>includes and describes</b> the project's mission and vision, the target population the project will serve, the expected benefits to the community, the need for the project in the community with proposed evidence-based methods, interventions, and strategies that are realistic, attainable, effective, and outcome-oriented.	The applicant is unclear or <b>does not include or describe</b> the project's mission and vision, the target population the project will serve, the expected benefits to the community, the need for the project in the community with proposed evidence-based methods, interventions, and strategies that are realistic, attainable, effective, and outcome-oriented.
<b>Community Need for the Project &amp; Strategic Plan Alignment</b> (10 points)	The applicant <b>identifies and defines a specific need(s)</b> for the project within the identified community and effectively describes the alignment of that need to the Desert Healthcare District and Foundation 2021-2026 Strategic Plan goals and strategies by using one of more of the following: data, case studies, interviews, focus group results, media coverage, etc.	The applicant <b>does not sufficiently identify or describe a need</b> for the project and/or its alignment to one of the Desert Healthcare District and Foundation 2021-2026 Strategic Plan goals and strategies by using one or more of the following: data, case studies, interviews, focus group results, media coverage, etc.
<b>Project Goals, Performance Measures, and Evaluation</b> (10 points)	The applicant has provided SMART goals with an evaluation plan that is comprehensively developed. The <b>SMART</b> goals are <b>specific, measurable, attainable, realistic, and time-bound</b> , and the evaluation plan will accurately measure the project's effectiveness and impact. Within each goal, the applicant identifies a related performance measure as outlined in the Desert Healthcare District and Foundation 2021-2026 Strategic Plan.	The applicant has provided very limited goals and evaluation plans. The goals <b>are not specific, measurable, attainable, realistic, time-bound goals</b> and will not measure the project's effectiveness or impact. Applicant did not identify related performance measures as outlined in the Desert Healthcare District and Foundation 2021-2026 Strategic Plan.



<p><b>Project Evaluation Plan</b> (10 points)</p>	<p>The applicant <b>provides a detailed plan of action for evaluation</b> that includes both qualitative and/or quantitative assessment(s). The plan includes well-defined data reporting mechanisms and/or a clear and transparent narrative.</p> <ul style="list-style-type: none"> <li>• Evaluation measures and methods are clear; the applicant defines how they envision success.</li> <li>• Evaluation is in alignment with the SMART goals of the project.</li> <li>• Evaluation is in alignment with identified performance measure(s).</li> <li>• An explanation is provided on how the data collected from the project will be utilized for future programming, partnerships, and/or funding.</li> </ul>	<p>The applicant <b>does not provide, or vaguely describes, a plan of action</b> with limited qualitative and/or quantitative assessment(s). The plan includes poorly defined data reporting mechanisms and/or a narrative.</p> <ul style="list-style-type: none"> <li>• Evaluation measures and methods are not clear; the applicant vaguely defines how they envision success.</li> <li>• Evaluation is not in alignment with the SMART goals of the project.</li> <li>• Evaluation is not in alignment with identified performance measure(s).</li> <li>• An explanation is not provided on how the data collected from the project will be utilized.</li> </ul>
<p><b>Applicant Capacity and Infrastructure to Execute Proposal</b> (10 points)</p>	<p>The applicant <b>includes examples that demonstrate</b> that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.).</p> <p>The <b>applicant demonstrates</b> reliability for this kind of work (strength, a history or track record of achievements, related mission, and letters of support)</p>	<p>The applicant <b>does not include examples that demonstrate</b> the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.).</p> <p>The <b>applicant is limited in its ability to demonstrate</b> reliability for this kind of work (strength, a history or track record of achievements, related mission, and letters of support)</p>
<p><b>Organization Sustainability</b> (10 Points)</p>	<p>The applicant <b>demonstrates</b> that it has a current Strategic Plan. The applicant demonstrates strong Board engagement, governance, and fundraising support.</p>	<p>The applicant <b>does not sufficiently demonstrate</b> that it has a current Strategic Plan. The proposed program is not identified in the current Strategic Plan and the applicant organization has limited Board engagement, governance, and fundraising support.</p>

<p><b>Budget</b> (10 points)</p>	<p>The budget is <b>specific</b> and <b>reasonable</b>, and all items <b>align</b> with the described project. The proposed budget is accurate, cost-effective, and linked to activities and outcomes.</p> <ul style="list-style-type: none"> <li>• There are no unexplained amounts.</li> <li>• The overall significance of the project, including the relationship between benefits and/or participants to the programmatic costs are reasonable.</li> <li>• All line items are identified clearly in the budget narrative.</li> <li>• The budget shows committed, in-kind, or other funds that have been identified, secured, and in place to support the project.</li> </ul>	<p>The budget is <b>not specific</b> and/or <b>reasonable</b>, and the items are <b>poorly aligned</b> with the described project. The budget is included in the application but seems incomplete or not reflective of actual costs.</p> <ul style="list-style-type: none"> <li>• There are unexplained amounts.</li> <li>• The overall significance of the project, including the relationship between benefits and/or participants to the programmatic costs are not reasonable.</li> <li>• Line items are not clearly defined in the budget narrative.</li> <li>• The budget does not show committed, in-kind, or other funds that have been identified, secured, and in place to support the project.</li> </ul>
<p><b>Key Partners / Collaboration</b> (10 points)</p>	<p>The proposal <b>demonstrates a collaborative process</b> that includes multiple community partners involved in planning and implementation, with contributions from collaborators articulated in detail via letters of support and/or memorandums of understanding.</p>	<p>The proposal <b>does not demonstrate a collaborative process</b> and it does not involve multiple community partners in planning and implementation. Potential for collaboration exists but is not articulated.</p>
<p><b>Fiscal Review</b></p>		
<p><b>Fiduciary Compliance</b> (10 Points)</p>	<p><b>The applicant demonstrates</b> a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financial statements produced in a timely fashion, positive cash flow at the end of each fiscal year, asset ratio meets required debt load, and the Board reviews financial statements regularly.</p>	<p><b>The applicant does not demonstrate</b> a financial history that shows a continuous cycle of fiduciary responsibility of the Board through audited financial statements. Positive cash flow at the end of each fiscal year is not consistent. and the Board does not review financials regularly.</p>

<b>Financial Stability</b> (10 Points)	Funding sources for operations and programs are from multiple sources and <b>are driven by a strategic plan</b> for stability for both short- and long-term growth. Fund development and/or business plan is in place to identify future sources of funding. The requested grant amount is <b>reasonable</b> in comparison to the overall organizational budget.	Source of funds for operations and programs are from limited sources and <b>are not driven by a strategic plan</b> . There is <b>no plan</b> for stability in place currently, including a fund development plan and/or business plan. The requested grant amount is <b>unreasonable</b> in comparison to the overall organizational operating budget.
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Total Score: \_\_\_\_/ 100

**Recommendation:**

- ☐ Fully Fund
- ☐ Partially Fund – Possible restrictions/conditions
- ☐ No Funding



**Date:** 6/28/2022

**To:** Board of Directors

**Subject:** Grant #1325 Vision y Compromiso

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**Grant Request:** CVEC Unrestricted Grant Funds

**Amount Requested:** \$150,000.00

**Project Period:** 7/1/2022 to 6/30/2024

Visión y Compromiso (VyC) is dedicated to improved community well-being by supporting promotoras. Promotoras are trusted community leaders and are deeply rooted in their desire to transform their communities into healthier places where all individuals and families can live a healthy and dignified life. VyC's Network of Promotoras represents the interests of over 4,000 grassroots community leaders in 13 urban and rural regions of California. VyC is a leading agency in California providing culturally and linguistically relevant training, capacity building, workforce development, leadership opportunities, peer networking, and advocacy for this community-based workforce. VyC strengthens the skills of resident leaders to apply the promotor model to their work building relationships and sharing information and resources in the community. VyC is active in Coachella Valley and has worked to create training and outreach programs to community residents in order to increase their skills and capacity as trusted leaders carrying messages to their communities to reduce illness, hospitalizations and deaths by preventing and mitigating the spread of COVID-19.

Visión y Compromiso's application seeks unrestricted grant funds to support health equity work by developing and strengthening promotoras. VyC will promote diverse pathways for promotoras to express their leadership and build economic self-sufficiency including workforce development as well as volunteer and other community engagement opportunities. This application focuses on Goal 2 to expand community access to primary and specialty care services; specifically, strategy 2.7 which focuses on utilizing an equity lens to expand services and resources to underserved communities by increasing the number of promotoras/CHWs in Coachella Valley.

The Funds provided by the Desert Healthcare District will be used for supplies, trainings, rent, utilities, travel, printing, and partial salaries of six staff members. This grant is focused on core operating support for the continuation of the collective efforts of the Coachella Valley Equity Collaborative.



**Strategic Plan Alignment:**

Goal: This project aligns with the Desert Healthcare District and Foundation (District and Foundation)'s Strategic Plan, Goal 2: Expand community access to primary and specialty care services

Strategy: This project aligns with the District's Strategy 2.7: Utilize an equity lens to expand services and resources to underserved communities: Increase the number of promotoras/CHWs.

**Geographic Area(s) Served:**

Cathedral City; Coachella; Desert Hot Springs; Indio; Mecca; North Shore; Oasis; Thermal; Thousand Palms

**Action by Board of Directors: (Please select one)**

- ✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$150,000.00 be approved.

Recommendation with modifications

Deny



## **Grant Application Summary**

### **Vision y Compromiso, Grant #1325**

#### **About the Organization**

Vision y Compromiso  
49869 Calhoun Street  
Coachella, CA. 92236  
Coachella, California 90012  
<http://www.visionycompromiso.org>

**Tax ID #:** 32-0071651

#### **Primary Contact:**

Debbie Arthur  
[debbie@visionycompromiso.org](mailto:debbie@visionycompromiso.org)

#### **Organization History and Mission**

Briefly describe the history AND mission of your organization  
Established in 2000, Visión y Compromiso (VyC) is dedicated to improved community well-being by supporting promotoras. Our vision, hacia una vida digna y sana, is for healthy and dignified living for all. Trusted community leaders, promotoras are characterized by their servicio de corazón (service from the heart) and deeply rooted in their desire to transform their communities into healthier places where all individuals and families can live a healthy and dignified life. VyC's Network of Promotoras (Network) represents the interests of over 4,000 grassroots community leaders in 13 urban and rural regions of California. We are the lead agency in California providing culturally and linguistically relevant training, capacity building, workforce development, leadership opportunities, peer networking, and advocacy for this community-based workforce. Moreover, VyC is one of the largest employers of promotores in the state hiring, training and supervising over 125 promotores in community-based programs that reach 400,000 people each year on topics directly linked to the physical, mental, emotional, and spiritual health and well-being of primarily Spanish speaking Latino and immigrant communities. We support multiple employment pathways for promotoras that includes paid positions with CBOs, widespread integration into county agencies and clinics and support for promotoras as community volunteers.

**Organization Annual Budget:** \$3,805,566.00

**Historical (approved Requests)**

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
2020	The Promotoras Census Outreach Project in Coachella Valley	\$5,000	Mini-Grant	8/25/2020	
2020	Promotoras Engaged to Stop the Spread of COVID-19 in Coachella Valley	\$120,000	Grant	10/30/2020	
2020	Promotoras Engaged to Stop the Spread of COVID-19 in Coachella Valley	\$185,000	Grant	1/28/2021	
2020	Promotoras Engaged to Stop the Spread of COVID-19 in Coachella Valley	\$125,000	Grant	5/28/2021	

**Project Information****Project Title:** CVEC Unrestricted Grant Funds**Start Date:** 7/1/2022 **End Date:** 6/30/2024**Term:** 24 months**Total Project Budget:** \$150,000**Requested Amount:** \$150,000**Executive Summary:**

VyC strengthens the skills of resident leaders to apply the promotor model to their work building relationships and sharing information and resources in the community. The pandemic hit the Coachella Valley hard. As VyC (and others) created training and outreach programs, community residents increased their skills and capacity as trusted leaders carrying messages to their communities to reduce illness, hospitalizations and deaths by preventing and mitigating the spread of COVID-19. Many of these leaders are employed today with VyC or other organizations in Riverside County. However, to reduce health inequities, we need more leaders who have the skills to increase awareness about chronic conditions and behavioral health, reduce the impact of social determinants on health, and increase access to local community resources.

During 7/1/22-6/30/24, unrestricted grant funds will support VyC's health equity work by developing and strengthening promotoras, primarily Spanish speaking women, as natural leaders in the Coachella Valley. VyC will promote diverse pathways for promotoras to express their leadership and build economic self-sufficiency including workforce development as well as volunteer and other community engagement opportunities. VyC will:

1. Provide diverse training and workforce development pathways to build the leadership and skills of community residents as promotoras and increase their readiness to become employed where appropriate;

2. Offer Serving from the Heart symposia to raise awareness about the promotora model in the Coachella Valley and leverage relationships with workforce partners to promote equitable employment opportunities; and
3. Create other opportunities to increase leadership and economic self-sufficiency among local women leaders.

This project aligns with the Desert Healthcare District (District) Strategic Plan as follows:

- Goal 2: Expand community access to primary and specialty care services
- Strategy 2.7: Utilize an equity lens to expand services and resources to underserved communities
- Increase the number of promotoras/CHWs

Expected community benefits include:

- Increased leadership skills of local residents;
- Increased economic self-sufficiency among local leaders;
- Local resources are more culturally and linguistically sensitive and more effective at reaching the community; and
- Increased number of residents are connected to primary and specialty care services (i.e. healthcare, behavioral/mental health and wellness programs and services, and other resources to address the social determinants of health).

### **Community Need for the Project:**

The pandemic hit the Coachella Valley hard. As VyC (and others) created training and outreach programs, community residents increased their skills and capacity as trusted leaders carrying messages to their communities to reduce illness, hospitalizations and deaths by preventing and mitigating the spread of COVID-19. Many of these leaders are employed today with VyC or other organizations in Riverside County. To reduce health inequities, we need more leaders with the skills to increase awareness about chronic conditions and behavioral health, address the social determinants of health, and increase access to community resources. The last two years affirmed our understanding that residents in the Coachella Valley welcome assistance to navigate resources and want more family-centered programming. Training community leaders will increase our capacity to respond to the community.

VyC's core skills training "Promotoras Transformando Familias y Comunidades/Promotoras Transforming Families and Communities" is one pathway to leadership development and employment to improve health and wellness. Additionally, our Workforce Readiness trainings build job search and retention skills among people who have never worked in CBOs or County systems. For many leaders – mostly immigrant Latina women – employment takes them outside their communities (even if it is to a similar community nearby); therefore, additional leadership pathways are needed. For example, some leaders are natural entrepreneurs who, with some training and support, can create their own micro-enterprise or cooperatively-managed projects. Others are school volunteers or just want to share what they know with their friends and neighbors.

Unrestricted funds will support VyC's work to continue to develop leaders in Coachella Valley while building awareness among local partners about equitable employment opportunities. In addition to formal training, VyC will support promotores to hold



community spaces for residents to reflect on their own interests while building connections and deepening relationships in their own communities.

**Strategic Plan Alignment:**

Goal: This project aligns with the Desert Healthcare District and Foundation (District and Foundation)'s Strategic Plan, Goal 2: Expand community access to primary and specialty care services

Strategy: This project aligns with the District's Strategy 2.7: Utilize an equity lens to expand services and resources to underserved communities: Increase the number of promotoras/CHWs.

**Project Description and Use of District funds:**

During 7/1/22-6/30/24, VyC will build on our health equity work in Coachella Valley by developing and strengthening promotoras, primarily Spanish speaking women, as natural leaders in the Coachella Valley. VyC will promote diverse pathways for promotoras to express their leadership and build economic self-sufficiency including workforce development as well as volunteer and other community engagement opportunities. VyC will:

1. Provide diverse training and workforce development pathways to build the leadership and skills of community residents as promotoras and increase their readiness to become employed where appropriate;
2. Offer Serving from the Heart symposia to raise awareness about the promotora model in the Coachella Valley and leverage relationships with workforce partners to promote equitable employment opportunities; and
3. Create other opportunities to increase leadership and economic self-sufficiency among local women leaders.

Unrestricted grant funds will support VyC staff who work in projects that impact the Coachella Valley (Executive Director Maria Lemus, Regional Program Manager Yoana Luna, Regional Network Manager (TBD), Administrative Assistant Ana Velasquez, and Communications Coordinator Isalia Zumaya), office rent in Coachella Valley and indirect costs (HR, finance, some administration).

**Description of the Target Population (s):**

The target population who will benefit from the project includes promotoras, local community leaders in the Coachella Valley who are primarily Spanish speaking Latina women, as well as uninsured and underserved Latino residents, including many immigrant communities in the Coachella Valley, who will be more knowledgeable about local community resources and how to access programs and services to improve health and wellness.

**Geographic Area(s) Served:**

Cathedral City; Coachella; Desert Hot Springs; Indio; Mecca; North Shore; Oasis; Thermal; Thousand Palms

**Age Group:**  
(18-24) Youth  
(25-64) Adults  
(65+) Seniors

**Total Number of District Residents Served:**  
Direct: 60  
Indirect: 3000

**Project Goals and Evaluation**

<p><b>Goal #1:</b> By June 30, 2024, Vision y Compromiso will provide diverse training and workforce development pathways to increase leadership and economic self-sufficiency among at least 30 promotoras, natural leaders in the Coachella Valley, each year (30 promotoras x 2 years = 60 promotoras).</p>	<p><b>Evaluation #1:</b> This project goal coincides with the District and Foundation’s Strategic Plan, Goal 2, Strategy 2.7: Utilize an equity lens to expand services and resources to underserved communities: Increase the number of promotoras/CHWs. VyC will track progress on the following performance measure:</p> <ul style="list-style-type: none"><li>• # of Coachella Valley residents who build their leadership skills by participating in training, workforce readiness workshops or other leadership development opportunities</li><li>•</li></ul>
<p><b>Goal #2:</b> By June 30, 2024, Vision y Compromiso will schedule and complete a minimum of 2 activities to raise awareness about the promotora model and leverage relationships with a minimum of 10 new workforce partners each year (10 partners x 2 years = 20 partners) and promote equitable employment opportunities for Coachella Valley residents.</p>	<p><b>Evaluation #2:</b> This project goal coincides with the District and Foundation’s Strategic Plan, Goal 2, Strategy 2.7: Utilize an equity lens to expand services and resources to underserved communities: Increase the number of promotoras/CHWs. VyC will track progress on the following performance measure:</p> <ul style="list-style-type: none"><li>• # of community based organizations, hospital/clinic staff, city and county employees, and other workforce partners who participate in workshops, symposia or other activities designed to raise awareness about the promotora model</li><li>•</li></ul>
<p><b>Goal #3:</b></p>	<p><b>Evaluation #3:</b></p>
<p><b>Goal #4:</b></p>	<p><b>Evaluation #4:</b></p>
<p><b>Goal #5:</b></p>	<p><b>Evaluation #5:</b></p>

## **Proposed Project Evaluation Plan**

VyC will measure progress toward these goals through observations, registration materials and sign in sheets, meeting minutes, # of activities coordinated, # of community residents reached.

## **Organizational Capacity and Sustainability**

### **Organizational Capacity**

VyC staff who will contribute to this project will be engaged in developing training and managing community programs that reach promotores in the Coachella Valley. These project activities will identify local residents who are interested in building their leadership – taking it to the next level. Staff who will participate in developing and delivering training include, but will not be limited to: Alma Esquivel, Director of Training and Education, Gerry Balcazar, Manager of Learning and Development; Regional Program Manager Yoana Luna, Inland Empire Regional Network Manager (TBD), Director of Family and Community Development TBD, Director of Community Programs Hugo Ramirez, as well as administrative and communications staff.

### **Organizational Sustainability:**

Anticipating the continued need for VyC's expertise and leadership related to promotores' role in improved community health and wellness, we completed a 3-year Strategic Plan (2022-2025) with the following 5 strategic priorities:

1. Continue to organize, grow, and sustain the Promotor Network.
2. Position the Promotor Model for Community Transformation to be recognized, understood, and replicated broadly.
3. Clarify VyC's programmatic strengths, focus, and key areas to grow and deepen our impact.
4. Develop our Economic Equity Initiative to ensure economic security for those most impacted by disparities.
5. Build a strong and "leaderful organization" with the readiness and adaptability needed for the change and growth ahead.

The project proposed herein aligns most closely with Priorities 1, 2 and 4 of VyC's strategic plan:

Priority 1: The Promotor Network

- Strategy 3: Articulate a path for Promotores to leadership and workforce development

Priority 2: The Promotor Model for Community Transformation

- Strategy 2: Communicate the community transformation model by developing and sharing training tools and ongoing education—internally and externally

Priority 4: Economic Equity Initiative

- Work with partners, including community-based organizations and cross-jurisdictional and cross-cultural entities, to develop an influence agenda and engage funders, employers, and policy makers

## **Diversity, Equity, and Inclusion**

**How is diversity, equity, and inclusion addressed?** VyC addresses diversity, equity and inclusion (DEI) at the board, executive staff and staff levels. We hire staff who

represent the cultural and linguistic characteristics of the communities we serve. We now have approximately 175 full- and part-time staff and by far the majority (over 95%) identify as Latina/o/x and at least 96% speak Spanish. Most of our staff, board members and executive staff identify as immigrants and/or children of immigrants, including among our board and executive staff. Moreover, 83% of our board and executive staff are Latina women and 100% speak Spanish.

**What is preventing the organization from addressing diversity, equity, and inclusion?**

**Partnerships:**

**Key Partners:**

VyC has a strong Network of allies and collaborative partners in Coachella Valley that has been significantly strengthened since 2020 as a result of our COVID-19 community outreach, education and mobile testing events and participation in the Coachella Valley Equity Collaborative (CVEC). Our collaborations include longstanding and new relationships with community based organizations, faith-based communities, schools, community clinics, and advocacy groups including but not limited to: Borrego Community Health Foundation, Braille Institute, El Poder de Saber, El Sol Neighborhood Educational Center, Inland Congregations for Change and other, Las Clinicas del Salud del Pueblo, Lideres Campesinas, Mecca Family and Farm Workers Services Center, Planned Parenthood Coachella, Promotores Independientes del Valle Imperial (PIVI), Riverside County Department of Behavioral Health, Riverside County Department of Public Health, Rural Community Assistance Corporation, TODEC, and Victor Community Services.

## Line Item Budget

## Operational Costs

PROGRAM OPERATIONS		Total Program/Project Budget	Funds from Other Sources <i>Detail on sheet 3</i>	Amount Requested from DHCD YEAR 1	Amount Requested from DHCD YEAR 2	TOTAL AMOUNT REQUESTED
<b>Total Staffing Costs</b> <i>Detail on sheet 2</i>				<b>\$49,470</b>	<b>\$49,470</b>	<b>\$98,940</b>
<b>Equipment (itemize)</b>						
1						
2						
3						
4						
<b>Supplies (itemize)</b>						
1	Office supplies			\$250	\$200	\$450
2	Refreshments for leadership trainings			\$1,500	\$1,475	\$2,975
3						
4						
<b>Printing/Duplication</b>				\$2,000	\$2,000	\$4,000
<b>Mailing/Postage</b>						
<b>Travel/Mileage</b> .59/mile x 500 miles/mo x 12 mos/year				\$3,540	\$3,540	\$7,080
<b>Education/Training</b> \$500/training				\$1,500	\$1,500	\$3,000
<b>Office/Rent/Mortgage:</b> \$750/mo x 12 mos				\$9,000	\$9,000	\$18,000
<b>Telephone/Fax/Internet</b>						
<b>Utilities</b>				\$960	\$960	\$1,920
<b>Insurance</b>						
<b>Other facility costs not described above (itemize)</b>						
1						
2						
3						
4						
<b>Other program costs not described above (itemize)</b>						
1	indirect costs @ 10% max			\$6,822	\$6,813	\$13,635
2						
3						
4						
<b>Total Program Budget</b>				<b>\$75,042</b>	<b>\$74,958</b>	<b>\$150,000</b>
<b>Budget Narrative</b>	1) Office supplies @ \$250/year (pens, markers, flip chart paper, toner, etc). 2) Refreshments @ approximately \$300-\$500/training or other community event x 5 events; 3) Local travel at .59/mile x approx 500 miles/mo x 12 mos. 4) Training materials (binders, photocopies, manuals, etc) @ \$500/training x 5 training/events. 5) Office rent in Coachella is calculated at \$750/mo x 12 months.; and utilities @ \$80/mo x 12 mos. Indirect costs are calculated at 10% of Personnel/Staffing Costs and Other Direct Costs and include HR, finance and accounting and some administration.					

**Line Item Budget  
Staffing Costs**

Staff Salaries		Annual Salary	% of Time Allocated to Program	Actual Program Salary	Amount of Salary Paid by DHCD Grant YEAR 1	Amount of Salary Paid by DHCD Grant YEAR 2	Total Amount Requested
<b>Employee Position/Title</b>							
1	Alma Esquivel, Director of Training	\$77,000	5%	\$3,850	\$3,850	\$3,850	\$7,700
2	Gerry Balcazar, Manager, Learning/Dev'	\$70,000	20%	\$14,000	\$14,000	\$14,000	\$28,000
3	IE Network Manager, Liza Serna	\$62,400	20%	\$12,480	\$12,480	\$12,480	\$24,960
4	Arturo Salazar, Trainer	\$62,400	5%	\$3,120	\$3,120	\$3,120	\$6,240
5	Administrative Assistant Ana Velasquez	\$47,840	5%	\$2,392	\$2,392	\$2,392	\$4,784
6	Communications Coordinator	\$47,840	5%	\$2,392	\$2,392	\$2,392	\$4,784
7	<b>Subtotal</b>			<b>\$38,234</b>	<b>\$38,234</b>	<b>\$38,234</b>	<b>\$76,468</b>
8							
<b>Total Employee Benefits @ 32%</b>				\$11,236	\$11,236	\$11,236	\$22,473
<b>Enter this amount in Section 1; Staffing Costs</b>				<b>Total &gt;</b>	<b>\$49,470</b>	<b>\$49,470</b>	<b>\$98,941</b>

<b>Budget Narrative</b>	Director of Training and Education Alma Esquivel (.05 FTE) to support the development of leadership programs in CV. Learning and Development Manager Gerry Balcazar (.20 FTE) to provide training and leadership development to resident leaders. Inland Empire Network Manager Liz Serna will help build the leadership of residents and connect promoters to local resources. Trainer Arturo Salazar, LCSW (.05 FTE) will provide mental health first aid training. Administrative Assistant and Communications Coordinator supports programs in the Coachella Valley (logistics, purchases, IT, data collection, publicity/messaging development, etc).
<b>Budget Narrative</b>	Fringe benefits are calculated at 32% of salaries/wages and include FICA, SSI, workers compensation, medical, dental, vision and 401k

Professional Services / Consultants		Hourly Rate	Hours/Week	Total Project Fee	Amount Requested from DHCD
<b>Company and Staff Title</b>					
1					
2					
3					
4					
5					
<b>Enter this amount in Section 1; Staffing Costs</b>				<b>Total &gt;</b>	<b>0</b>
<b>Budget Narrative</b>	Not applicable				

Line Item Budget  
Other Program Funds

Other funding received (actual or projected) SPECIFIC to this program/project			Amount
Fees			
Donations			
Grants (List Organizations)			
	1		
	2		
	3		
	4		
Fundraising (describe nature of fundraiser)			
	1		
	2		
Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)			
	1		
	2		
	3		
	4		
Total funding in addition to DHCD request			0
Budget Narrative	Describe program/project income listed above. Note whether income is "projected" or actual.		

## **Grant Scoring Review**

### **Grant Staff Review # 1 of 4**

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**Executive Summary:** 9

**Community Need and Alignment:** 9

**Goals:** 9

**Proposed Evaluation Plan:** 9

**Applicant Capacity and Infrastructure:** 10

**Organizational Sustainability:** 10

**Budget:** 8

**Key Partners/Collaborations:** 9

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**Total Score:** 73.00

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**Reviewer Comments:** Vision y Compromiso is one of the lead community-based organizations utilizing the Promotora model to address community level health and wellness problems, along with disseminating culturally and linguistically education and outreach materials. DHCD funds will help Vision y Compromiso continue to train and empower local leaders as Promotoras to make a difference in their community.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 71 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 284 (4 of 4)

**Total average proposal score: 88.50 /100**



## **Grant Scoring Review**

### **Grant Staff Review # 2 of 4**

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**Executive Summary:** 9

**Community Need and Alignment:** 8

**Goals:** 9

**Proposed Evaluation Plan:** 8

**Applicant Capacity and Infrastructure:** 8

**Organizational Sustainability:** 9

**Budget:** 9

**Key Partners/Collaborations:** 9

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**Total Score:** 69.00

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**Reviewer Comments:** Visión y Compromiso is a leading agency working with Community Health Workers to provide culturally and linguistically relevant training, capacity building, workforce development, leadership opportunities, peer networking, and advocacy to residents. Utilizing trusted messengers for information sharing and education around health-related topics helps to transform communities into healthier places by empowering individuals with relevant, appropriate information to advocate for their health. Visión y Compromiso's application is for core operating support and aligns with the District's Strategic Plan goal 2 to expand community access to primary and specialty care services through the increase of regional Community Health Workers.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 71 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 284 (4 of 4)

**Total average proposal score: 88.50 /100**

## **Grant Scoring Review**

### **Grant Staff Review # 3 of 4**

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**Executive Summary:** 10

**Community Need and Alignment:** 9

**Goals:** 9

**Proposed Evaluation Plan:** 9

**Applicant Capacity and Infrastructure:** 9

**Organizational Sustainability:** 10

**Budget:** 8

**Key Partners/Collaborations:** 9

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**Total Score:** 73.00

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**Reviewer Comments:** The proposed plan to support the continued development of the role of Promotores and the subsequent community awareness necessary is well defined by Vision y Compromiso. The identified goals align with Strategic Goal areas 2 (Strategy 2.7 - Utilize and equity lens to expand services and resources to underserved communities and are supported by evaluation structures to track the increases in knowledge of the Promotores participants and the increased awareness of community based organizations of the Promotora model and its applicability. The support of the 3 year Strategic Plan for this organization will assist in creating sustainable improvements for future implementation.

**Response Notes:**

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**Average Review Score:**

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 71 (4 of 4)

**Sum of all Reviews:**

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 284 (4 of 4)

**Total average proposal score: 88.50 /100**

## **Grant Scoring Review**

### **Grant Staff Review # 4 of 4**

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**Executive Summary:** 9

**Community Need and Alignment:** 8

**Goals:** 8

**Proposed Evaluation Plan:** 8

**Applicant Capacity and Infrastructure:** 10

**Organizational Sustainability:** 9

**Budget:** 8

**Key Partners/Collaborations:** 9

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**Total Score:** 69.00

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**Reviewer Comments:** Strong tie to the District's strategic goal; bringing awareness of the promotora model is very important in introducing another cog in the healthcare workforce wheel. Promotoras can bridge the gaps between licensed and unlicensed healthcare professionals. I would like to see other organizations outside of the comfort zone be invited to or made aware of the Serving From the Heart symposia, such a One Future CV, the Women Leaders forum, and others that address leadership, particularly among all women in the CV. The evaluation plan doesn't mention measuring progress on those individuals who took the leadership training, are now eligible, and next steps. Is there a partnership with El Sol to utilize their curriculum?

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 71 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 284 (4 of 4)

**Total average proposal score: 88.50 /100**

## **Grant Scoring Review**

### **Fiscal Staff Review # 1 of 2**

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**Fiduciary Compliance:** 9

**Financial Stability:** 9

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**Total Score:** 18.00

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**Reviewer Comments:** Audited financial statements prepared and routed for Board approval. Positive cash flow noted for most recently completed fiscal year with ample assets to address liabilities. Strategic plan in place for 3-year period. Multiple funding sources noted on organizational budget and grant is reasonable in comparison to overall organizational budget.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 71 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 284 (4 of 4)

**Total average proposal score: 88.50 /100**

## **Grant Scoring Review**

### **Fiscal Staff Review # 2 of 2**

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**Fiduciary Compliance:** 9

**Financial Stability:** 8

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**Total Score:** 17.00

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**Reviewer Comments:** Fiduciary Compliance -

The FY 06/30/21 audit report is unmodified. The Board of Directors is scheduled to review the audit report at their next Board meeting.

Audit report Current Ratio is strong (4:1), which represents the grantee's ability to pay its short-term liabilities.

The Net Assets increased by \$870k as of 6/30/21. Internal financial statements, as of 4/30/22, demonstrates an increase of \$485k. The Balance Sheet is in good order.

Financial Stability -

Grantee demonstrates a sound financial position.

The District's grant of \$150,000 is fully funded by the District.

**Response Notes:**

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**Average Review Score:**

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 71 (4 of 4)

**Sum of all Reviews:**

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 284 (4 of 4)

**Total average proposal score: 88.50 /100**

Grant #1325

**EXHIBIT B****PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES**Project Title

CVEC Unrestricted Grant Funds

Start/End

7/01/2022

6/30/2024

**PAYMENTS:**

(4) Payments: \$33,750.00

10% Retention: \$15,000.00

Total request amount: \$ 150,000

**GRANT AND PAYMENT SCHEDULE REQUIREMENTS:**

Scheduled Date	Requirement Number	Grant Requirements for Payment	Payment
7/01/2022		Signed Agreement submitted & accepted.	Advance of \$33,750.00 for time period 7/01/2022 - 12/31/2022
2/01/2023		1st six-month (7/01/2022 - 12/31/2022) progress report, budget reports and receipts submitted & accepted	Advance of \$33,750.00 for time period 1/01/2023 - 6/30/2023
8/01/2023		2nd six-month (1/01/2023 - 6/30/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$33,750.00 for time period 7/01/2023 - 12/31/2023
2/01/2024		3rd six-month (7/01/2023 - 12/31/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$33,750.00 for time period 1/01/2024 - 6/30/2024

8/01/2024		4th six-month (1/01/2024 – 6/30/2024) progress report, budget reports and receipts submitted & accepted	\$0
8/15/2024		Final report (7/01/2022 – 6/30/2024) and final budget report submitted & accepted	\$15,000.00 (10% retention)

**TOTAL GRANT AMOUNT: \$150,000**

# DELIVERABLES:

## Project Goals and Evaluation

<p><b>Goal #1:</b> By June 30, 2024, Vision y Compromiso will provide diverse training and workforce development pathways to increase leadership and economic self-sufficiency among at least 30 promotoras, natural leaders in the Coachella Valley, each year (30 promotoras x 2 years = 60 promotoras).</p>	<p><b>Evaluation #1:</b> This project goal coincides with the District and Foundation's Strategic Plan, Goal 2, Strategy 2.7: Utilize an equity lens to expand services and resources to underserved communities: Increase the number of promotoras/CHWs. VyC will track progress on the following performance measure:</p> <ul style="list-style-type: none"> <li># of Coachella Valley residents who build their leadership skills by participating in training, workforce readiness workshops or other leadership development opportunities</li> </ul>
<p><b>Goal #2:</b> By June 30, 2024, Vision y Compromiso will schedule and complete a minimum of 2 activities to raise awareness about the promotora model and leverage relationships with a minimum of 10 new workforce partners each year (10 partners x 2 years = 20 partners) and promote equitable employment opportunities for Coachella Valley residents.</p>	<p><b>Evaluation #2:</b> This project goal coincides with the District and Foundation's Strategic Plan, Goal 2, Strategy 2.7: Utilize an equity lens to expand services and resources to underserved communities: Increase the number of promotoras/CHWs. VyC will track progress on the following performance measure:</p> <ul style="list-style-type: none"> <li># of community based organizations, hospital/clinic staff, city and county employees, and other workforce partners who participate in workshops, symposia or other activities designed to raise awareness about the promotora model</li> </ul>



**Date:** 6/28/2022

**To:** Board of Directors

**Subject:** Grant # 1327 Youth Leadership Institute

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**Grant Request:** Youth Voice in Mental Health

**Amount Requested:** \$50,000.00

**Project Period:** 7/1/2022 to 6/30/2024

Youth Leadership Institute (YLI) is a network of community-based programs, across California, empowering youth to address social issues and serve communities. Youth Leadership Institute is a trusted organization in Eastern Coachella Valley that builds communities where young people and their adult allies come together to create positive community change that promotes social justice and racial equity. Youth Leadership provides training, tools and resources for effective youth advocacy and leverages the experiences of adult allies while sticking to their core values of inclusion, innovation, social justice, and community.

We have all experienced the collective trauma of COVID-19. Everyone was removed from their trusted systems of support and Youth Leadership collectively embarked on the journey of trying to create trusted systems in the safest way possible. YLI continues to do this important work of creating safe spaces for youth by dispelling myths around mental health and advocating for demands that come directly from young people in the ECV. Their approach to this work has always been focused on cultural competency, inclusion, and intersectionality. This application is focused on the District's goal 3 of proactively expanding community access to behavioral/mental health services. Specifically, strategies 3.6 and 3.7 that look to educate community residents on available behavioral/ mental health resources and partner with community providers to enhance access to culturally sensitive mental health services.

District funds will be utilized for the salaries of a Program Manager, Senior Program Coordinator and Program Coordinator. This grant is focused on core operating support for the continuation of the collective efforts of the Coachella Valley Equity Collaborative.





**Strategic Plan Alignment:**

Goal 3: Proactively expand community access to behavioral/mental health services

Strategy: 3.6 Educate community residents on available behavioral/mental health resources (Priority: Moderate)

Strategy 3.7 - Collaborate/Partner with community providers to enhance access to culturally sensitive behavioral/mental health services (Priority: Moderate)

**Geographic Area(s) Served:**

Coachella; Indio; Mecca; North Shore; Oasis; Thermal

**Action by Board of Directors: (Please select one)**

- ✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$50,000.00 be approved.

Recommendation with modifications

Deny



## **Grant Application Summary**

### **Youth Leadership Institute, Grant #1327**

#### **About the Organization**

Youth Leadership Institute  
209 9th St Suite 209  
San Francisco, CA 92236  
<http://yli.org>

**Tax ID #:** 680184712

#### **Primary Contact:**

Paulina Rojas  
[Projas@yli.org](mailto:Projas@yli.org)

#### **Organization History and Mission**

Briefly describe the history AND mission of your organization  
yli builds communities where young people and their adult allies come together to create positive social change. We achieve this in two key ways: providing training, tools and resources for effective youth advocacy, and by leveraging the experience and savvy of adult allies. yli's work is based in the conviction that, if we empower youth to use their voices well, the entire community will prosper as a result.

Founded in 1991, yli has sparked the leadership of 90,000 young people to solve pressing social issues and serve communities. yli implements community-based programs throughout California in the counties of Marin, San Francisco, San Mateo, Madera, Merced, Los Angeles, and Riverside. Across 70 cohorts, yli serves 1,700 youth leaders ages 12-26 each week, 90% of whom are youth of color, and 67% of whom qualify as low income. A nationally recognized leader in the field of youth development, yli provides young people with tools and support to identify community needs and implement solutions, while also training adult allies to successfully partner with youth in community change efforts. The young people of yli have successfully advocated for over 130 policy wins across California over the last 30 years.

**Organization Annual Budget:** \$7,138,677.00

**Historical (approved Requests)**

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
2020	COVID-19 ECV	\$120,000	Grant	11/10/2020	
2020	COVID-19 ECV Collaborative - PHI	\$25,000	Grant	2/11/2021	
2020	COVID-19 ECV March 2021-March 2022	\$125,000	Grant	5/28/2021	

**Project Information****Project Title:** Youth Voice in Mental Health**Start Date:** 7/1/2022 **End Date:** 6/30/2024**Term:** 23 months**Total Project Budget:** \$50,000**Requested Amount:** \$50,000**Executive Summary:**

Historically the Eastern Coachella Valley has experienced a lack when it comes to accessing even basic resources such as healthcare, infrastructure, electricity and housing. It is no surprise then, that accessing mental health resources in these mostly unincorporated communities is even a greater feat. Over the last 4 years, Youth Leadership Institute has been a leader in creating authentic spaces for youth and community at large in the ECV to talk about mental health. Since then, we have all experienced the collective trauma of surviving the COVID-19 pandemic. Everyone was removed from their trusted systems of support and we all collectively embarked on the journey of trying to create these systems in the safest way possible. At YLI we will continue to do this important work of creating safe spaces for youth, dispelling myths around mental health and advocate for demands that come directly from young people in the ECV. Our approach to this work has always been culturally competent, inclusive and intersectional. We know that the communities of the Eastern Coachella Valley are not a monolith and that every young person that we serve has to see themselves represented in the work. This is why we are proud to share that our youth participants represent a diverse coalition. Many of our youth participants represent one or more of the following demographics: immigrants, children of farmworkers, Latinx, LGBTQIA+, neurodiverse, Indigenous, low income. Also, a majority of our participants are young women, girls and non-binary people. We expect that this project will bring many benefits to the community, including community empowerment, increased knowledge of how to access mental health resources, and increased capacity for community advocacy. As YLI staff our approach is rooted in youth empowerment and liberation. This is why we never tokenize or infantilize them. We validate their experiences and are aware that being a child or a young person does not make one exempt from experiencing injustice or difficulties. Once youth feel secure and know that they have supportive adult allies and community members, they start to ask for what their communities deserve. As staff members our ideal result in this work is to see our youth participants empowering other

youth to also share their stories and demand more. This is our biggest measure of success.

**Community Need for the Project:**

The Eastern Coachella Valley has been a historically underserved community. Many community members in this area often lack access to basic resources such as housing and healthcare. Often times, the resources that these community members are not as robust or abundant as the resources available in the Western Coachella Valley. This means that many times discussing and seeking mental health resources is seen as a luxury instead of a basic need. This lack of access coupled with cultural stigmas around mental health have historically harmed the community. Many youth in the Eastern Coachella Valley have shared that there are not many safe spaces for them to discuss their concerns around mental health. They have also shared that they would like for mental health resources to be more abundant as to meet the needs of the community. Youth Leadership Institute has been a leader in creating safe spaces for young people in The Eastern Coachella Valley to have authentic conversations around mental health. With our Youth Voice in Mental Health project we hope to build on our previous work and continue to uplift the needs of youth in the Eastern Coachella Valley. This project will help us combine our long history of community centered storytelling with direct advocacy. We also hope to publish a resource guide to help community members identify the resources in their community.

**Strategic Plan Alignment:**

Goal 3: Proactively expand community access to behavioral/mental health services  
Strategy: 3.6 Educate community residents on available behavioral/mental health resources (Priority: Moderate)

Strategy 3.7 - Collaborate/Partner with community providers to enhance access to culturally sensitive behavioral/mental health services (Priority: Moderate)

**Project Description and Use of District funds:**

We will be using district funds to fund the salaries of our Program Manager, Senior Program Coordinator and Program Coordinator. We will be using district funds to provide youth stipends, cover printing costs, telecoms and mileage reimbursements.

**Description of the Target Population (s):**

- children & youth
- Latinx
- Indigenous
- LGBTQIA
- folks who live in rural & unincorporated communities
- migrant students

**Geographic Area(s) Served:**

Coachella; Indio; Mecca; North Shore; Oasis; Thermal

**Age Group:**

- (06-17) Children
- (18-24) Youth

## Total Number of District Residents Served:

Direct: 100

Indirect: 15,000

## Project Goals and Evaluation

<p><b>Goal #1:</b> Continue the Riverside Youth Taskforce and build leadership skills in youth leadership, youth-led action research, youth-led campaigns, and storytelling throughout July 2022 to June 2024.</p>	<p><b>Evaluation #1:</b></p> <ul style="list-style-type: none"> <li>- Recruit 15-20 youth from July 2022-August 2022</li> <li>- Hold weekly meetings starting September 2022</li> <li>- Youth will engage in a Youth-Led Participatory Action Research project to narrow down mental health issues and opportunities.</li> <li>- Youth will present findings and recommendations from research to elected and decision makers in Riverside County.</li> </ul>
<p><b>Goal #2:</b> Initiate a community-led adult coalition that centers mental health stories, issues, and solutions in Riverside County by Fall 2022 and continue meetings throughout 2023 to June 2024.</p>	<p><b>Evaluation #2:</b></p> <ul style="list-style-type: none"> <li>- Meet 1-1 with 50-75 parents, youth, community organizations, and leaders to join the first meeting in September 2022.</li> <li>- Hold 4 hybrid quarterly meetings (September 2022, December 2022, March 2023, and June 2023)</li> <li>- Hold one power mapping session in Fall 2022 inviting all important partners to select a topic for a policy campaign aimed to increase mental health resources in Riverside County.</li> </ul>
<p><b>Goal #3:</b> Utilize digital organizing methods to engage people in reaching resources in their community and finding ways to get involved throughout July 2022 to June 2024.</p>	<p><b>Evaluation #3:</b></p> <ul style="list-style-type: none"> <li>- Build a database of community residents to reach out to for campaign efforts and messaging about resources in the community (ongoing).</li> <li>- Develop a texting hotline that can be a digital space to connect them to existing mental health resources near their home or place of work by December 2022.</li> </ul>
<p><b>Goal #4:</b> Utilize storytelling methods as a strategy for community change efforts throughout July 2022 to June 2024.</p>	<p><b>Evaluation #4:</b></p> <ul style="list-style-type: none"> <li>- Gather stories to create one mental health zine that includes a mental health resource guide by June 2023. Youth and adult coalition partners and community partners will be invited to submit stories and resources that will be published in this zine.</li> </ul>

	- Create a video that can be used for recruitment, base-building, and a resource in the community to access mental health resources by August 2022.
<b>Goal #5:</b> Engage elected and decision makers in implementing findings and recommendations from youth and adult coalition from July 2022 to June 2024.	<b>Evaluation #5:</b> - Meet with 10-12 decision makers (School Board Members, County Supervisors, Riverside County Mental Health Commission, etc) by March 2023. - Present at 2-3 public meetings on findings and recommendations (School Board Meeting, County Supervisors Meeting, Riverside County Mental Health Commission Meeting etc) by June 2024.

**Proposed Project Evaluation Plan**

yli evaluates impact using multiple quantitative and qualitative measurements to collect feedback from youth participants, program staff, and adult allies. Performance is evaluated throughout the program, and staff regularly make adjustments in response, whether by strengthening elements shown to be successful, incorporating new topics and approaches suggested by participants, or responding to newly-identified challenges.

Evaluation methods include:

Weekly program meetings with youth highlighting successes and challenges  
Quarterly coalition meetings with adult and youth participants highlighting opportunity to civically engaged

Quarterly youth and adult ally questionnaires to assess the program process  
yli agency-wide annual pre- and post-program surveys for skill development, leadership participation, and program satisfaction

Engagement of an external evaluator to analyze youth development outcomes. We are currently partnering with Health Assessment and Research for Communities (HARC) to implement qualitative and quantitative process data to support our mental health efforts in the ECV. We have conducted focus groups, mental health diaries, and will implement a survey in Fall 2022.

yli shares the evaluation results internally and with program participants. At the close of a program year in June, yli produces and distributes a final report summarizing successes, lessons, next steps, and ideas for program updates.

With this available data, we will be able to better understand the landscape of youth voice in mental health decisions and opportunities in the Eastern Coachella Valley. We envision this work to become a countywide community-led effort to increase mental health resources for Riverside County, with a special focus on innovative approaches in the Eastern Coachella Valley based on findings and recommendations from our research. Through a countywide perspective, we hope to bring non-traditional and

unlikely partners in the space of mental health to strengthen the fact that everyone has a role in increasing mental health resources in Riverside County.

## **Organizational Capacity and Sustainability**

### **Organizational Capacity**

Staff on this project include Paulina Rojas, Eastern Coachella Valley Program Manager, Olivia Rodriguez, Senior Program Coordinator, and Katy Torres, Program Coordinator at yli.

Paulina (she/her/they) brings almost a decade of experience in multimedia journalism, program implementation, and youth development. They will manage and administer the project as well as providing programmatic and strategic support to our program coordinators. Paulina has worked specifically in increasing youth spaces and places where youth feel safe and are able to show up as their full selves.

Olivia (she/her) is born and raised in the Eastern Coachella Valley. Their lived experiences, academic connections, and youth development work will help expand mental health opportunities for youth. Olivia has been leading our Que Madre and COVID-19 program where she developed resource guides, zines, videos, and other multimedia efforts to increase awareness on mental health resources. Olivia and another staff were responsible for establishing the COVID-19 Riverside Youth Taskforce in 2021.

Katy (they/them) is currently leading our mental health efforts supporting youth in youth-led action research, preparing weekly workshops and curriculum to support youth in destigmatizing mental health and creating advocacy spaces where youth can create community change.

### **Organizational Sustainability:**

Our current organizational strategic plan involves the following six directives from 2021-2023:

- Expand YLI Anti-Racism Programming and Funding
- Expand and diversify youth pipeline
- Support YLI's recent successes and sustainability
- Expand Development
- Expand TCS programming and revenue
- Improve staff professional development and management training

This project is in alignment with our directives by ensuring that youth most affected by lack of access to mental health resources are prioritized. With the ongoing pandemic, mental health access gaps remain that need robust and innovative mental health resources. Health equity involves addressing deep, anti-racist roots of mental health systems that have kept resources unattainable to many communities. By expanding our youth pipeline we hope to continue serving and supporting our youth leaders by expanding their capacity to do mental health advocacy work. Mental health curriculum, as we have experienced in the past three years, can be improved to better reach youth and provide opportunities that lead to changes in their communities. We hope to

improve mental health programming for our youth leaders that invites non-traditional youth to have a seat at the decision-making table.

## **Diversity, Equity, and Inclusion**

### **How is diversity, equity, and inclusion addressed?**

Inclusion sits at the center of yli's values and work. We operate from the truth that the people most affected by systemic oppression - low-income, LGBTQ, communities of color, and other marginalized populations - are often excluded from decision- and policy-making processes. yli aims to reverse this trend by amplifying the voices of underserved youth to ensure they have a say in their communities' futures. Nationwide, yli shares the best of this work by leading training on racial equity, power, privilege, and on engaging youth in community work.

yli is more than an organization – we are a collective of human beings, many of whom are drawn from and reflect the powerful and resilient communities we serve. Our CEO, Patty Barahona, is a Latinx, gender-nonconforming, queer leader, and 94% of our staff identify as people of color who come from the communities in which they now lead work. In our leadership team, all Program Directors are women of color who have worked more than 7 years yli, and have been promoted throughout the years to ensure equitable access to leadership positions for women of color. Of the 1,700 youth (ages 12-26) we serve each week, 90% are youth of color, and 67% qualify as low income. Additionally, 62% of yli's board of directors identify as people of color and 54% are women.

yli's commitment to amplifying youth voices extends to its internal, organizational decision making processes. A full quarter of our current staff began their trajectory at yli as youth participants. The majority of our program staff are transitional-age youth (between the ages of 18-25) and one of our 13 board members is a youth. This pipeline not only creates career opportunities for our youth, it ensures that our staff truly reflect - and are directly connected to - the communities they serve.

Our youth – perhaps better than any generation before them – know that oppressive systems do not operate in isolation, and their campaigns reflect their deeply intersectional analysis. At the same time, identifying key issue areas allows them to build strategy and zero in on specific targets. Guided by the vision of our youth, our programs currently focus on six primary Platforms: Economic, Education, Environmental, Gender, Health, and Racial Justice (<https://yli.org/platforms/>). With a special emphasis in our Racial Justice platform, we apply this in the following ways:

Actively addressing anti-Blackness within our organization through organization-wide trainings and planning processes that work to root out white supremacy in our systems, structures and relationships. The Board has created a directive dedicated to actively investing and working on this at all levels of the organization. In partnership with our Black staff, our Leadership Team works to create sustainable, short- and long-term plans while ensuring that our Black staff are compensated for their work.



We are also working internally, as a collective of social justice-minded people, to dismantle the oppressive systems in which we are all embedded. This is reflected in encouraging transparency, integrity, and opportunities for staff to uplift concerns and investing in a robust HR team that creates a culture of learning, listening, and equity at yli.

**What is preventing the organization from addressing diversity, equity, and inclusion?**

**Partnerships:**

**Key Partners:**

YLI is currently part of the Alianza Community Justice Campaign. This campaign is comprised of Alianza staff, The LGBT Community Center of the Desert, Lideres Campesinas and Coachella Valley Parents. This campaign focuses on school climate, implementing restorative justice practices at schools and advocating for funding to be used in ways that provide the most benefit to students. This collaborative of community justice campaign partners have always been supportive of our mental health advocacy work. They would support in helping us connect with decision makers, repost our content on their social media channels, serve as potential guest speakers to the youth task force, be featured in our resource guide and help us connect with prospective youth participants. We also have close ties to various teachers at Coachella Valley High School and Desert Mirage High School including Mr. Johnny Gonzalez, Ms. Perla Penalber and Ms. Jessica Vega. These teachers help set up class visits to that we can recruit youth participants. They also let us use their classrooms to host meetings with youth, they also help distribute and display our printed materials, and they also support in connecting us with other teachers.

PROJECT OPERATIONS		Total Project Budget	Funds from Other Sources <b>Detail on sheet 3</b>	Amount Requested from DHCD
<b>Total Staffing Costs</b> <b>Detail on sheet 2</b>		\$ 107,500.00	\$ 62,045.49	\$ 45,454.51
<b>Equipment (itemize)</b>				
1				\$ -
2				\$ -
3				\$ -
4				\$ -
<b>Supplies (itemize)</b>				
1				\$ -
2				\$ -
3				\$ -
4				\$ -
<b>Printing / Duplication</b>				\$ -
<b>Mailing / Postage</b>				\$ -
<b>Travel / Mileage (use current Federal mileage rate)</b>		\$ 155.00	\$ 155.00	\$ -
<b>Education / Training</b>				\$ -
* Items listed below are included for calculation of the total project budget only. For use of DHCD funds, these line items would be included in the allowable 10% indirect cost rate.				
<b>Office / Rent / Mortgage*</b>		\$ 2,500.00	\$ 2,500.00	\$ -
<b>Telephone / Fax / Internet*</b>		\$ 960.00	\$ 960.00	\$ -
<b>Utilities*</b>			\$ -	\$ -
<b>Insurance*</b>			\$ -	\$ -
<b>Other direct project costs not described above (itemize)</b>				
1	Youth Stipends	\$ 800.00	\$ 800.00	\$ -
2	Indirect 16%	\$ 11,754.00	\$ 11,754.00	\$ -
3	Evaluator	\$ 4,000.00	\$ 4,000.00	\$ -
4				\$ -
<b>Indirect Cost Rate - Maximum of 10% Allowed</b>				\$ 4,545.49
<b>Total Project Budget</b>		<b>\$ 132,214.49</b>	<b>\$ 82,214.49</b>	<b>\$ 50,000.00</b>
<b>Budget Narrative</b>	<p>Fully describe items above in this cell. You may insert rows or create additional worksheets if more space is needed to fully describe your budget.</p> <p>Labor Costs to cover Program Manager, Senior Program Coordinator, and Program Coordinator implementing this project over the course of two years including benefits. \$45,454.51</p> <p>-Indirect @ 10%: \$4545.49</p> <p>Supporting administrative, contract management, and financial support of documentation for this contract.</p>			

Staff Salaries		Annual Salary	% of Time Allocated to Project	Total Project Salary	Amount Requested from DHCD
<b>Employee Position/Title</b>					
1	Paulina Rojas, Program Manager	\$ 66,662.96	24%	15860.12	\$ 15,860.12
2	Olivia Rodriguez, Sr Program Coordinator	\$ 54,201.14	20%	10840.23	\$ 10,840.23
3	Katy Torres, Program Coordinator	\$ 48,316.32	20%	9663.26	\$ 9,663.26
4				-	
5				-	
6				-	
7				-	
8				-	
Total Employee Benefits / Employer Taxes - proportional fringe costs and/or employer taxes based on % of time allocated to project				9090.90	9,090.90
Enter this amount in Section 1; Staffing Costs			Total >	\$ 45,454.51	\$ 45,454.51
Budget Narrative	<p>Please describe in detail the scope of work and duties for each employee on this grant.</p> <p>Paulina (she/her/they) brings almost a decade of experience in multimedia journalism, program implementation, and youth development. They will manage and administer the project as well as providing programmatic and strategic support to our program coordinators. Paulina has worked specifically in increasing youth spaces and places where youth feel safe and are able to show up as their full selves.</p> <p>Olivia (she/her) is born and raised in the Eastern Coachella Valley. Their lived experiences, academic connections, and youth development work will help expand mental health opportunities for youth. Olivia has been leading our Que Madre and COVID-19 program where she developed resource guides, zines, videos, and other multimedia efforts to increase awareness on mental health resources. Olivia and another staff were responsible for establishing the COVID-19 Riverside Youth Taskforce in 2021.</p> <p>Katy (they/them) is currently leading our mental health efforts supporting youth in youth-led action research, preparing weekly workshops and curriculum to support youth in destigmatizing mental health and creating advocacy spaces where youth can create community change.</p>				
Budget Narrative	<p>Please describe in detail the employee benefits including the percentage and salary used for calculation.</p> <p>At approximately 25% of Total Personnel Costs, Fringe Benefits includes the following: 7.50% Federal Insurance Contributions Act (FICA), 0.83% State Unemployment Insurance (SUI), 2% Workers Compensation, 12.47% Medical, Dental, Vision, 1.2% 403(b) Retirement, 1% Employee Assistance Plan and Life Insurance and Accidental Death and Dismemberment (ADD)</p>				
Professional Services / Consultants		Hourly Rate	Hours/Week	Total Project Fee	Amount Requested from DHCD
<b>Company and Staff Title</b>					
1					
2					
3					
4					
5					
Enter this amount in Section 1; Staffing Costs				Total >	\$ -
Budget Narrative	Please describe in detail the scope of work for each professional service/consultant on this grant.				

<b>Other funding received (actual or projected) SPECIFIC to this project. "Total funding in addition to DHCD request" below should match or exceed value listed in Section 1 for "Funds from Other Sources".</b>			<b>Amount</b>
<b>Fees</b>			
<b>Donations</b>			
<b>Grants (List Organizations)</b>			
	1	Department of Public Health Health Equity	85215
	2		
	3		
	4		
<b>Fundraising (describe nature of fundraiser)</b>			
	1		
	2		
<b>Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)</b>			
	1		
	2		
	3		
	4		
<b>Total funding in addition to DHCD request</b>			<b>\$ 85,215.00</b>
<b>Budget Narrative</b>	Describe project income listed above. Note whether income is "projected" or actual. This is actual funding for FY2223 to lead youth-led advocacy efforts in increasing mental health resources in schools for youth in the ECV.		

## **Grant Scoring Review**

### **Grant Staff Review # 1 of 4**

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**Executive Summary:** 9

**Community Need and Alignment:** 8

**Goals:** 9

**Proposed Evaluation Plan:** 8

**Applicant Capacity and Infrastructure:** 8

**Organizational Sustainability:** 8

**Budget:** 8

**Key Partners/Collaborations:** 9

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**Total Score:** 67.00

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**Reviewer Comments:** Youth Leadership Institute has captured the voices of the youth and is cognizant of the mental health needs of the youth of the region. Youth advocacy is important and YLI is leading the way on developing this training along with leveraging the experience of adult allies. I can see YLI be a very strong partner with the District in our efforts to engage youth in schools and keeping them and their families safe.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18.5 (2 of 2)

Grant Program Staff Review Stage: 70.25 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 37 (2 of 2)

Grant Program Staff Review Stage: 281 (4 of 4)

**Total average proposal score: 88.75 / 100**

## **Grant Scoring Review**

### **Grant Staff Review # 2 of 4**

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**Executive Summary:** 10

**Community Need and Alignment:** 8

**Goals:** 9

**Proposed Evaluation Plan:** 9

**Applicant Capacity and Infrastructure:** 10

**Organizational Sustainability:** 10

**Budget:** 10

**Key Partners/Collaborations:** 10

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**Total Score:** 76.00

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**Reviewer Comments:** Youth Leadership Institute (YLI) has been an established provider of support services to youth since 1991. This experience will assist with the implementation of the proposed project. This project which is structured to address the need of underserved youth in the Coachella Valley will focus on the support of the team providing training and development to the recruited youth, extended meeting with parents, youth and community members for coalition development, establish a database of community residents for connection and resource sharing. The project goals align with DHCD Strategic Goals 3 (Strategy 3.6 and 3.7). Sustainability is supported by the Strategic Plan (2021-23) with six plan directives associated with program expansion in the areas associated with current program operation.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18.5 (2 of 2)

Grant Program Staff Review Stage: 70.25 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 37 (2 of 2)

Grant Program Staff Review Stage: 281 (4 of 4)

**Total average proposal score: 88.75 / 100**

## **Grant Scoring Review**

### **Grant Staff Review # 3 of 4**

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**Executive Summary:** 10

**Community Need and Alignment:** 9

**Goals:** 9

**Proposed Evaluation Plan:** 9

**Applicant Capacity and Infrastructure:** 9

**Organizational Sustainability:** 9

**Budget:** 8

**Key Partners/Collaborations:** 9

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**Total Score:** 72.00

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**Reviewer Comments:** The Youth Leadership Institute (YLI) provides a outlet, capacity building, and training for youth to develop creative ways to inform and reach their peers. Often health education materials, conversations, and outreach strategies are developed with adults in mind and tend to lack creative and engaging ways to incorporate youth. DHCD funds will ensure YLI has increased capacity to continue their work with mental health focus with youth through the Riverside Youth Task Force and developing creative outlets like story-telling, podcasts, social media posts to disseminate mental health resources, raise awareness, and engage with elected officials.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18.5 (2 of 2)

Grant Program Staff Review Stage: 70.25 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 37 (2 of 2)

Grant Program Staff Review Stage: 281 (4 of 4)

**Total average proposal score: 88.75 / 100**

## **Grant Scoring Review**

### **Grant Staff Review # 4 of 4**

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**Executive Summary:** 8

**Community Need and Alignment:** 8

**Goals:** 7

**Proposed Evaluation Plan:** 8

**Applicant Capacity and Infrastructure:** 9

**Organizational Sustainability:** 8

**Budget:** 9

**Key Partners/Collaborations:** 9

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**Total Score:** 66.00

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**Reviewer Comments:** Youth Leadership Institute empowers local community youth and adults to use their voice, outside of traditional settings, and advocate for mental health awareness, availability, and accessibility. Additionally, they focus on stigma reduction through means of digital education and storytelling. Trusted environments and safe spaces were challenging to find prior to COVID. Nowadays, they are even more difficult, and the Youth Leadership Institute is trying to rebuild and expand safe spaces within the community. District funds will be utilized to support Youth Leadership's core staff to maintain and continue their work.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18.5 (2 of 2)

Grant Program Staff Review Stage: 70.25 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 37 (2 of 2)

Grant Program Staff Review Stage: 281 (4 of 4)

**Total average proposal score: 88.75 / 100**



## **Grant Scoring Review**

### **Fiscal Staff Review # 1 of 2**

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**Fiduciary Compliance:** 8

**Financial Stability:** 9

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**Total Score:** 17.00

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**Reviewer Comments:** Fiduciary Compliance -

The FY 06/30/21 audit report is unmodified.

Audit report Current Ratio is strong (2.7:1) and the internal unaudited financial statements, as of 4/30/22, show 3:1, which represents the grantee's ability to pay its short-term liabilities.

The Net Assets increased by \$178k as of 6/30/21. Internal unaudited financial statements, as of 4/30/22 demonstrates a decrease of \$723k. The Balance Sheet is in good order.

**Financial Stability -**

Grantee demonstrates a sound financial position.

Grantee has diversified resources for this project of \$132,214. The District's grant of \$50,000 is well supported by other resources.

**Response Notes:**

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**Average Review Score:**

Fiscal Staff Review Stage: 18.5 (2 of 2)

Grant Program Staff Review Stage: 70.25 (4 of 4)

**Sum of all Reviews:**

Fiscal Staff Review Stage: 37 (2 of 2)

Grant Program Staff Review Stage: 281 (4 of 4)

**Total average proposal score: 88.75 / 100**

## **Grant Scoring Review**

### **Fiscal Staff Review # 2 of 2**

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**Fiduciary Compliance:** 10

**Financial Stability:** 10

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**Total Score:** 20.00

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**Reviewer Comments:** Audited financials reviewed and approved by Board. Assets are sufficient to meet liabilities and cash flow is positive. Strategic plan establishes goals for future funding. Organizational budget contains multiple funding sources. Grant budget is reasonable compared to organizational budget.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18.5 (2 of 2)

Grant Program Staff Review Stage: 70.25 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 37 (2 of 2)

Grant Program Staff Review Stage: 281 (4 of 4)

**Total average proposal score: 88.75 / 100**

Grant #1327

**EXHIBIT B****PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES**Project Title

Youth Voice in Mental Health

Start/End

7/01/2022

6/30/2024

**PAYMENTS:**

(4) Payments: \$11,250.00

10% Retention: \$5,000.00

Total request amount: \$ 50,000

**GRANT AND PAYMENT SCHEDULE REQUIREMENTS:**

Scheduled Date	Requirement Number	Grant Requirements for Payment	Payment
7/01/2022		Signed Agreement submitted & accepted.	Advance of \$11,250.00 for time period 7/01/2022 - 12/31/2022
2/01/2023		1st six-month (7/01/2022 - 12/31/2022) progress report, budget reports and receipts submitted & accepted	Advance of \$11,250.00 for time period 1/01/2023 - 6/30/2023
8/01/2023		2nd six-month (1/01/2023 - 6/30/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$11,250.00 for time period 7/01/2023 - 12/31/2023
2/01/2024		3rd six-month (7/01/2023 - 12/31/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$11,250.00 for time period 1/01/2024 - 6/30/2024

8/01/2024		4th six-month (1/01/2024 – 6/30/2024) progress report, budget reports and receipts submitted & accepted	\$0
8/15/2024		Final report (7/01/2022 – 6/30/2024) and final budget report submitted & accepted	\$5,000.00 (10% retention)

**TOTAL GRANT AMOUNT: \$ 50,000**

## DELIVERABLES:

### Project Goals and Evaluation

<b>Goal #1:</b> Continue the Riverside Youth Taskforce and build leadership skills in youth leadership, youth-led action research, youth-led campaigns, and storytelling throughout July 2022 to June 2024.	<b>Evaluation #1:</b> <ul style="list-style-type: none"> <li>- Recruit 15-20 youth from July 2022-August 2022</li> <li>- Hold weekly meetings starting September 2022</li> <li>- Youth will engage in a Youth-Led Participatory Action Research project to narrow down mental health issues and opportunities.</li> <li>- Youth will present findings and recommendations from research to elected and decision makers in Riverside County.</li> </ul>
<b>Goal #2:</b> Initiate a community-led adult coalition that centers mental health stories, issues, and solutions in Riverside County by Fall 2022 and continue meetings throughout 2023 to June 2024.	<b>Evaluation #2:</b> <ul style="list-style-type: none"> <li>- Meet 1-1 with 50-75 parents, youth, community organizations, and leaders to join the first meeting in September 2022.</li> <li>- Hold 4 hybrid quarterly meetings (September 2022, December 2022, March 2023, and June 2023)</li> <li>- Hold one power mapping session in Fall 2022 inviting all important partners to select a topic for a policy campaign aimed to increase mental health resources in Riverside County.</li> </ul>
<b>Goal #3:</b> Utilize digital organizing methods to engage people in reaching resources in their community and finding ways to get	<b>Evaluation #3:</b> <ul style="list-style-type: none"> <li>- Build a database of community residents to reach out to for campaign efforts and messaging about resources in the community (ongoing).</li> </ul>

involved throughout July 2022 to June 2024.	- Develop a texting hotline that can be a digital space to connect them to existing mental health resources near their home or place of work by December 2022.
<b>Goal #4:</b> Utilize storytelling methods as a strategy for community change efforts throughout July 2022 to June 2024.	<b>Evaluation #4:</b> - Gather stories to create one mental health zine that includes a mental health resource guide by June 2023. Youth and adult coalition partners and community partners will be invited to submit stories and resources that will be published in this zine. - Create a video that can be used for recruitment, base-building, and a resource in the community to access mental health resources by August 2022.
<b>Goal #5:</b> Engage elected and decision makers in implementing findings and recommendations from youth and adult coalition from July 2022 to June 2024.	<b>Evaluation #5:</b> - Meet with 10-12 decision makers (School Board Members, County Supervisors, Riverside County Mental Health Commission, etc) by March 2023. - Present at 2-3 public meetings on findings and recommendations (School Board Meeting, County Supervisors Meeting, Riverside County Mental Health Commission Meeting etc) by June 2024.



**Date:** 6/28/2022

**To:** Board of Directors

**Subject:** Grant #1328 El Sol Neighborhood Educational Center

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**Grant Request:** Expanding Access to Educational Resources for Promotores

**Amount Requested:** \$150,000.00

**Project Period:** 7/1/2022 to 6/30/2024

El Sol Neighborhood Education Center's mission is to empower vulnerable communities to lead healthy lives with access to health care; safe, affordable housing; opportunities for education; and the leadership skills to eliminate disparities. El Sol seeks to build upon the organization's strong experience in community education, mental health support, community organizing and outreach to serve residents in the Coachella Valley with equitable access to health education and service connections. El Sol has developed training curricula on health topics for Promotores to educate community members including material on mental health, diabetes, cardiovascular health, maternal health and COVID-19. Promotores use their knowledge and have taken these materials to educate thousands of community members on healthy behaviors and provide connections to services. This project seeks to develop additional training material topics, enhance mental health training for promotores and to develop a resource hub where materials can be accessible to members within the Coachella Valley Equity Collaborative and other community organizations.

This application is focused on goals 2, 3, and 7 to expand access to primary, specialty, and behavioral health services and to be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents. Specifically, strategies 2.7, 3.6 and 7.1 focusing on utilizing an equity lens to expand services and resources to underserved communities, education community residents on available behavioral health resources, and looking at raising awareness of the impact of general health education on the health of community residents

The Funds provided by the Desert Healthcare District will be used for various equipment, supplies, the partial salaries of one staff member, and the consulting work of four individuals. This grant is focused on core operating support for the continuation of the collective efforts of the Coachella Valley Equity Collaborative.



**Strategic Plan Alignment:**

Goal: This project aligns with the DHCD

- Goal 2: Proactively expand community access to primary and specialty care services
- Goal 3: Proactively expand community access to behavioral/mental health services
- Goal 7: Be responsive to and supportive of selected community initiatives that enhance the general education of the District's residents

**Strategy:**

This project seeks to address the following strategies:

- Strategy 2.7 Utilize an equity lens to expand services and resources to underserved communities (Priority: High)
- Strategy 3.6 Educate community residents on available behavioral/mental health resources (Priority: Moderate)
- Strategy 7.1 Play a role in raising awareness of the impact of general health education on the health of community residents and be a catalyst for community organizations to act in implementing solutions (Priority: Moderate)

**Geographic Area(s) Served:**

All District Areas

**Action by Board of Directors: (Please select one)**

- ✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$150,000.00 be approved.

Recommendation with modifications

Deny



## **Grant Application Summary**

### **El Sol Neighborhood Educational Center, Grant #1328**

#### **About the Organization**

El Sol Neighborhood Educational Center  
 766 N Waterman Ave  
 SAN BERNARDINO, CA 92410  
 Tel: (909) 884-3735  
<http://766 N Waterman Ave>

**Tax ID #:** 330552297

#### **Primary Contact:**

Alexander Fajardo  
 Tel: (909) 884-3735  
[alexfajardo@elsolnec.org](mailto:alexfajardo@elsolnec.org)

#### **Organization History and Mission**

Briefly describe the history AND mission of your organization  
 El Sol Neighborhood Educational Center's mission is to empower vulnerable communities to lead healthy and comfortable lives with access to health care; opportunities for education; safe, affordable housing; and the leadership skills to eliminate disparities. El Sol focuses on providing equitable education, support and access to healthcare services in the Inland Empire of California.

**Organization Annual Budget:** \$3,500,000.00

#### **Historical (approved Requests)**

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
2011	Promotores de Salud Program: Providing Preventive Obesity and Nutrition Education to Latinos in the Desert Healthcare District	\$76,784	Improving Lives	12/14/2011	Grant budget



2012	Vida Vibrante - Vibrant Life	\$311,226	Improving Lives	6/25/2013	Grant budget
2020	Coachella Valley Collaborative Covid19 (ELC II)	\$120,000	Grant	11/2/2020	
2020	Coachella Valley Collaborative PHI Covid19	\$185,000	Grant	1/28/2021	
2020	Coachella Valley Collaborative Covid19	\$185,000	Grant	6/8/2021	

### **Project Information**

**Project Title:** Expanding Access to Educational Resources for Promotores

**Start Date:** 7/1/2022 **End Date:** 6/30/2024

**Term:** 24 months

**Total Project Budget:** \$150,000

**Requested Amount:** \$150,000

### **Executive Summary:**

El Sol Neighborhood Educational Center (El Sol) seeks to expand the successful Promotores Project to provide culturally appropriate health education and resource connections in the Coachella Valley from July 2022 to June 2024. This is two-year project requests \$75,000 each year (a total of \$150,000) to expand on the organization's transformative model of peer-to-peer education for low-income, hard to reach community members in the Coachella Valley. The Promotores Program ensures that all community members, regardless of their race, nationality, immigration status, gender, etc have access to accurate health information on a variety of topics, including mental health and COVID-19, and are connected to local service providers. The project will focus on training current promotores on equity & inclusion, mental health, community organizing and advocating for policy change. The project will also develop an online resource hub where educational materials on various health topics will be accessible for organizations and promotores throughout the Coachella Valley and nationwide.

### **Community Need for the Project:**

Comprehensive health services are essential for overall improvements in community health and well-being. Unfortunately, low-income, minority and hard to reach populations often lack access to the necessary health education resources and healthcare services needed to improve their health outcomes and are unaware of how to best advocate for policy change in their communities. Mental health and illness are of particular concern among these communities and can be exacerbated by common risk factors and stressors such as unstable living or family conditions, financial problems, drug or alcohol abuse . The COVID-19 pandemic, economic instability and political factors in the last two years have also increased stress among community members leading to challenges in mental health stability. In the Coachella Valley, 25.9% of adults had an emotional, mental or behavioral concern in the last year and approximately 22% of adults had been diagnosed with at least one mental health disorder (HARC Coachella Valley Community Health Survey, 2016). Mental health disorders can also affect a

person's general health. The need for improved services, equitable access to education and care, and policies to improve health outcomes are needed throughout the Coachella Valley. El Sol has been working with other organizations throughout the Valley to address these needs from a holistic approach that increases collaboration among partners to ensure all residents have access to services they need to ultimately improve their health and the health of their communities.

### **Strategic Plan Alignment:**

Goal: This project aligns with the DHCD

- Goal 2: Proactively expand community access to primary and specialty care services
- Goal 3: Proactively expand community access to behavioral/mental health services
- Goal 7: Be responsive to and supportive of selected community initiatives that enhance the general education of the District's residents

### **Strategy:**

This project seeks to address the following strategies:

- Strategy 2.7 Utilize an equity lens to expand services and resources to underserved communities (Priority: High)
- Strategy 3.6 Educate community residents on available behavioral/mental health resources (Priority: Moderate)
- Strategy 7.1 Play a role in raising awareness of the impact of general health education on the health of community residents and be a catalyst for community organizations to act in implementing solutions (Priority: Moderate)

### **Project Description and Use of District funds:**

El Sol seeks to build upon the organization's strong experience in community education, mental health support, community organizing and outreach to serve residents in the Coachella Valley with equitable access to health education and service connections. El Sol has developed many training curricula on health topics for promotores to educate community members on mental health, diabetes, cardiovascular health, maternal health and COVID-19. Promotores used their knowledge and have taken these materials to educate thousands of community members on healthy behaviors and providing service connections. This project seeks to develop additional training materials, enhance mental health training for promotores and to develop a resource hub where materials can be accessible to other members within the Coachella Valley Equity Collaborative (CVEC) and other community organizations nationwide to use.

The project will build upon El Sol's successful history of curricula development to design new educational materials for promotores on equity and policy. The first curriculum will discuss equity and inclusion topics to teach promotores about what equity is, how to include all community members into health education activities, strategies for including those with disabilities, and how to advocate for equity and inclusion in health services. The second curriculum will teach promotores about policy and advocacy, how to support communities to advocate for policy changes in their community that impact health services, and practical steps to start an advocacy campaign. El Sol will then utilize these curricula to train 12 local promotores from El Sol and 20 promotores from

other organizations within the Coachella Valley. These 32 promotores will also receive an enhanced training on mental health education and support for community members. A licensed mental health worker will support each of the promotores on identifying mental health concerns, referring community members to services, and how to effectively support families dealing with mental health concerns. The mental health worker will also provide any needed support and referrals to the promotores themselves. This model will be essential for peer to peer support and engagement.

The project will also focus on ensuring access to health education materials for other local organizations. From El Sol's work and collaborations it has become clear that many small, under-resourced organizations have limited access to education materials for their promotores or other community workers. Many of these organizations also have limited funds to develop new materials. Over El Sol's history the organization has developed a wide range of training and educational materials that are for the communities served and can be easily adapted to serve other minority communities. Therefore, El Sol will work with a web developer to design a resource hub for members of CVEC and other local organizations in order to share educational materials and resources for community education. This will provide equitable access to resources that support community health education and allow smaller organizations the opportunity to access materials that they would not have access to otherwise.

**Description of the Target Population (s):**

This project will target low-income adults living in the Coachella Valley, primarily serving minority communities who have limited access to resources and health education services. According the US Census Bureau and the Riverside County Information Technology department, Coachella Valley has an estimated population of 467,000 people. Of this population 78% of residents are age 18 or older, 42% of the population is Hispanic or Latino, and 23% were born outside of the US. Additionally, 80% of residents graduated high school, but only 24% have a bachelor's degree and 39% of residents speak a language other than English at home. The residents of Coachella Valley have an average income of \$49,000 per year and 9.7% of the population is unemployed. This project will target transitional age youth and adults in Coachella Valley. The project will focus on low to middle income Latino and Spanish speaking populations. The project will also focus on expanding access to other minority groups in the Coachella Valley through the partnership with CVEC.

**Geographic Area(s) Served:**

All District Areas

**Age Group:**

(18-24) Youth

(25-64) Adults

(65+) Seniors

**Total Number of District Residents Served:**

Direct: 2000

Indirect: 10000

## **Project Goals and Evaluation**

<p><b>Goal #1:</b> The project will increase knowledge on health education, equity and policy advocacy among residents in the Coachella Valley, especially among Latinos and other minority groups, by the end of the project period.</p>	<p><b>Evaluation #1:</b> This goal will be evaluated by reaching the following outputs:</p> <ol style="list-style-type: none"> <li>1. El Sol will develop two curricula on equity and advocacy by the end of the first six months.</li> <li>2. 32 promotores will be trained on the two curricula and demonstrate an increase in knowledge gained by the end of month 9.</li> </ol>
<p><b>Goal #2:</b> The project will increase knowledge on mental health education and support for residents in the Coachella Valley, especially among Latinos and other minority groups, and provide enhanced support to 32 promotores by the end of the project period.</p>	<p><b>Evaluation #2:</b> This goal will be evaluated by reaching the following outputs:</p> <ol style="list-style-type: none"> <li>1. El Sol will hire a licensed mental health worker to conduct a mental health training and support session for 32 promotores by the end of month 3.</li> <li>2. 32 promotores will be trained on specific mental health topics, available mental health resources in the Coachella Valley, and how to initiate support groups by the end of month 6.</li> <li>3. Promotores will reach 2,000 residents with support information on mental health by the end of the two year project.</li> </ol>
<p><b>Goal #3:</b> The project will increase access to health education materials for other organizations, especially low-resourced, local organizations, by creating a virtual resource hub by the end of the project period.</p>	<p><b>Evaluation #3:</b> This goal will be evaluated by reaching the following outputs:</p> <ol style="list-style-type: none"> <li>1. El Sol will hire a part-time web developer to design the resource hub by the end of month 3.</li> <li>2. El Sol will design the virtual resource hub and upload at least 10 training resources by the end of the first year.</li> </ol>

	3. El Sol will promote this resource hub within CVEC and other local organizations/collaboratives to encourage knowledge and resource sharing.
<b>Goal #4:</b>	<b>Evaluation #4:</b>
<b>Goal #5:</b>	<b>Evaluation #5:</b>

### **Proposed Project Evaluation Plan**

El Sol ensures a robust, mixed method evaluation approaches in each project, and on the organizational level, to assess project impact. This project will utilize quantitative methods such as pre- and post-test surveys, with demographic information, for promotores during training sessions to determine the change in knowledge on mental health, equity and advocacy. The project will also use pre-and post-test surveys with participants that are reached by promotores during training sessions to determine their knowledge gained during education sessions. The resource hub website will also monitor quantitative data of how many people visited the website, how many downloaded materials and other ways that users interacted with the website.

The project will also collect qualitative data from promotores through interviews after training sessions. This will be utilized to explore their experience with the material, their own personal mental health support through the project and their perceptions on self-efficacy to support members of the community in mental health and advocacy.

### **Organizational Capacity and Sustainability**

#### **Organizational Capacity**

El Sol has supporting communities in the Inland Empire for over 25 years and in the Coachella Valley for 11 years to improve health education and access to services among minority communities. El Sol is the primer organization in the Inland Empire on promotores education and has been an integral partner in developing the Promotores Academy to certify promotores. This training has been conducted locally and on a national level. El Sol's work not only includes education and support, but has extended to advocacy and policy change efforts within local communities. As a result of this work, the residents formed a community support system where each person has a role in organizing community improvement events or reaching out to local officials. For example, promotores from a community mental health support group led by El Sol met before lawmakers to request changes that would provide more streetlights and sidewalks to improve safety and reduce opportunities for violence. Their policy request was granted and the city built new sidewalks and increased lighting in the community. El Sol has the capacity to build on current services to create an equitable environment for health and wellness in the Coachella Valley.

#### **Organizational Sustainability:**

El Sol's work addresses critical health needs of over 3.2 million low-income, minority people throughout the Inland Empire. El Sol utilizes an evidence-based model (promotores or Community Health Workers - CHWs) that provides community members with peer to education and support and empowers communities to make transformative

changes. This model provides sustainable education and training for community members that leads to increased self-efficacy, increased use of health services, and initiation of policy changes. El Sol's education and support in the community also leads to a sense of ownership for the promotores' work and encourages a desire for social justice and equity in the community. The organization has a diverse portfolio of grants and investments to ensure a continual funding stream.

### **Diversity, Equity, and Inclusion**

#### **How is diversity, equity, and inclusion addressed?**

The foundation of El Sol's work is equity and diversity for all residents. This is seen through El Sol's board membership, executive staff, all staffing levels and through the recruitment of new promotores. Members of El Sol's board come from diverse backgrounds, but all are from minority groups. Each represent the communities they serve and the promotores that play an integral role in all of El Sol's programs. El Sol's staff are also representative of the communities they serve and have backgrounds from many Latin American countries. The organization also collaborates with organizations and promotores from other minority groups to ensure diversity and inclusion of all community members. Our team speaks a variety of languages to reach the most underserved communities in Southern California.

#### **What is preventing the organization from addressing diversity, equity, and inclusion?**

### **Partnerships:**

#### **Key Partners:**

El Sol works with a variety of leaders throughout the Inland Empire and Coachella Valley to encourage knowledge exchange and support services. El Sol is the convener of the Inland Intercultural Health Equity Coalition that shares learnings, openly discuss approaches that have not been successful and challenges that the organization has in an effort to encourage and support smaller organizations. In this project El Sol will specifically partner with the Coachella Valley Equity Collaborative (CVEC) to implement trainings for promotores and support local organizations that are working in health and education equity. El Sol will also seek out small local organizations that need support for promotores training to be included in the training. The virtual resource hub will have a broader reach within partners of the Coachella Valley, through the Inland Intercultural Health Equity Coalition and organizations nationwide.

# Line Item Budget Project Operational Costs

PROJECT OPERATIONS		Total Project Budget	Funds from Other Sources <i>Detail on sheet 3</i>	Amount Requested from DHCD
<b>Total Staffing Costs</b> <i>Detail on sheet 2</i>		\$ 124,675.00	\$ -	\$ 124,675.00
<b>Equipment (itemize)</b>				
1	Web Hosting plan, searching, sorting, etc	\$ 2,500.00		\$ 2,500.00
2	Computer	\$ 850.00		\$ 850.00
3				\$ -
4				\$ -
<b>Supplies (itemize)</b>				
1	Printng	\$ 3,000.00		\$ 3,000.00
2	Travel	\$ 1,738.64		\$ 1,738.64
3	Training Materials and Food	\$ 3,600.00		\$ 3,600.00
4				\$ -
<b>Printing / Duplication</b>				\$ -
<b>Mailing / Postage</b>				\$ -
<b>Travel / Mileage (use current Federal mileage rate)</b>				\$ -
<b>Education / Training</b>				\$ -
* Items listed below are included for calculation of the total project budget only. For use of DHCD funds, these line items would be included in the allowable 10% indirect cost rate.				
<b>Office / Rent / Mortgage*</b>			\$ -	\$ -
<b>Telephone / Fax / Internet*</b>			\$ -	\$ -
<b>Utilities*</b>			\$ -	\$ -
<b>Insurance*</b>			\$ -	\$ -
<b>Other direct project costs not described above (itemize)</b>				
1				\$ -
2				\$ -
3				\$ -
4				\$ -
<b>Indirect Cost Rate - Maximum of 10% Allowed</b>				\$ 13,636.36
<b>Total Project Budget</b>		<b>\$ 150,000.00</b>	<b>\$ -</b>	<b>\$ 150,000.00</b>
<b>Budget Narrative</b>	Webflow, Jetboost, etc. a Monthly fee to maintain the resouces HUB to provide capacity for fastest seach. Computer: One computer plus program to support this project. Printing: Printing for training and Mental Health Resources to distribute in the community. Travel: To suport staff and promotoras in their own going activities when their miles are not covered in another projects in addition to the training. Training Materials and Food: Training Materials (Mental Health, Equity and Policy trainings) and food will be provided			

## Line Item Budget Staffing Costs

Staff Salaries		Annual Salary	% of Time Allocated to Project	Total Project Salary	Amount Requested from DHCD
<b>Employee Position/Title</b>					
1	Alexander Fajardo, Executive Director	\$ 90,000.00	10%	9,000.00	\$ 9,000.00
2				-	
3				-	
4				-	
5				-	
6				-	
7				-	
8				-	
Total Employee Benefits / Employer Taxes - proportional fringe costs and/or employer taxes based on % of time allocated to project				2,115.00	2,115.00
Enter this amount in Section 1; Staffing Costs			Total >	\$ 11,115.00	\$ 11,115.00
Budget Narrative	The Executive Director will be in charge to lead the project and oversight all of the grant requirements. He will use a total of 9,000.00 over the 2 years grant.				
Budget Narrative	23.5 of benefits will be change to the program. For a total of 2,115.00				
Professional Services / Consultants		Hourly Rate	Hours/Week	Total Project Fee	Amount Requested from DHCD
<b>Company and Staff Title</b>					
1	Mental Health Consultant	\$ 60.00	3	\$ 9,360.00	\$ 9,360.00
2	Promotores Curriculum Specialist	\$ 25.00	25	\$ 65,000.00	\$ 65,000.00
3	Project Designer	\$ 30.00	10	\$ 31,200.00	\$ 31,200.00
4	Web Developer	\$ 60.00	3	\$ 8,000.00	\$ 8,000.00
5					
Enter this amount in Section 1; Staffing Costs				Total >	\$ 113,560.00
Budget Narrative	<p>Mental Health Consultant: Will support the Promotoras in their own Mental Health and provide ongoing training and support also will help develop a resources mental health guide for the community</p> <p>Promotores Curriculum Specialist: This Position will create materials for Promotores and the Resources HUB in addition will work on the advocacy and equity curriculums also will support on training Promotores. Project</p> <p>Designer: This position will support on the resource HUB design and the mental health resources for the community.</p> <p>Web Developer: This company will support in the creation of the Resource HUB.</p>				



Line Item Budget  
Other Project Funds

Other funding received (actual or projected) SPECIFIC to this project. "Total funding in addition to DHCD request" below should match or exceed value listed in Section 1 for "Funds from Other Sources".			Amount
Fees			
Donations			
Grants (List Organizations)			
	1		
	2		
	3		
	4		
Fundraising (describe nature of fundraiser)			
	1		
	2		
Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)			
	1		
	2		
	3		
	4		
Total funding in addition to DHCD request			\$ -
Budget Narrative	Describe project income listed above. Note whether income is "projected" or actual.		

## **Grant Scoring Review**

### **Grant Staff Review # 1 of 4**

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**Executive Summary:** 9

**Community Need and Alignment:** 9

**Goals:** 8

**Proposed Evaluation Plan:** 8

**Applicant Capacity and Infrastructure:** 9

**Organizational Sustainability:** 9

**Budget:** 9

**Key Partners/Collaborations:** 8

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**Total Score:** 69.00

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**Reviewer Comments:** El Sol NEC has made an impact locally with their use of the Promotora model in providing culturally appropriate community-based outreach and education. The addition of key topics like equity, policy, and advocacy in their proposed development of new curricula to train 32 Promotoras will only enhance the Promotoras capacity raise awareness on mental health and also use policy to create change not only at the community level but at the county and state levels. DHCD funds will assist in developing new training curriculum and support mental health training with a licensed mental health therapist for 32 Promotoras.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 17 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 34 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

**Total average proposal score: 87.75 / 100**

## **Grant Scoring Review**

### **Grant Staff Review # 2 of 4**

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**Executive Summary:** 8

**Community Need and Alignment:** 8

**Goals:** 7

**Proposed Evaluation Plan:** 8

**Applicant Capacity and Infrastructure:** 9

**Organizational Sustainability:** 8

**Budget:** 8

**Key Partners/Collaborations:** 8

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**Total Score:** 64.00

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**Reviewer Comments:** El Sol Neighborhood Educational Center seeks to continue its Promotores Project to provide culturally appropriate health education and resource connections to Coachella Valley residents. El Sol develops, distributes, and trains Promotorers on various health topics for Promotores to educate community residents. This project focuses on creating additional Promotores training materials so that they are able to continue disseminating relevant educational resources to community members and create an easily accessible resource hub. Access to health education and increasing knowledge of support services, through trusted messengers, works to reduce Stigma and improve accessibility and understanding of health support services.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 17 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 34 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

**Total average proposal score: 87.75 / 100**

## **Grant Scoring Review**

### **Grant Staff Review # 3 of 4**

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**Executive Summary:** 10

**Community Need and Alignment:** 10

**Goals:** 10

**Proposed Evaluation Plan:** 10

**Applicant Capacity and Infrastructure:** 10

**Organizational Sustainability:** 10

**Budget:** 9

**Key Partners/Collaborations:** 9

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**Total Score:** 78.00

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**Reviewer Comments:** The El Sol Neighborhood Education Center proposal is supported by the experience of this agency's history providing development and training for Promotores in the Inland Empire and the Coachella Valley. The services proposed for expansion in the Coachella Valley align with DHCD Strategic Plan Goal 2 (strategy 2.7), Goal 3 (strategy 3.6) and Goal 7 (strategy 7.). The focus on the goals of increasing community awareness of mental health and general health, increased training and development of 32 Promotores and the development of a health education hub are each supported by robust evaluation structures that will provide helpful status updates that will inform future program development. Program capacity and sustainability is enhanced by community partnerships that have been developed over time.

**Response Notes:**

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**Average Review Score:**

Fiscal Staff Review Stage: 17 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

**Sum of all Reviews:**

Fiscal Staff Review Stage: 34 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

**Total average proposal score: 87.75 / 100**

## **Grant Scoring Review**

### **Grant Staff Review # 4 of 4**

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**Executive Summary:** 9

**Community Need and Alignment:** 9

**Goals:** 9

**Proposed Evaluation Plan:** 9

**Applicant Capacity and Infrastructure:** 9

**Organizational Sustainability:** 9

**Budget:** 9

**Key Partners/Collaborations:** 9

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**Total Score:** 72.00

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**Reviewer Comments:** Recommend approval: El Sol is one of the most widely and successful organizations in the Inland Empire utilizing Community Health Workers with whole person care. El Sol has a successful history of curricula development to design new educational materials for CHWs on equity and policy. This funding will allow El Sol to develop additional training materials, enhance mental health training for CHWs and to develop a resource hub where materials can be accessible to other members of the CV Equity Collaborative and other community organizations nationwide to use. The training materials and resource hub will be a valuable asset to any organization looking to develop, enhance and train community members as Community Health Workers - a credible occupation necessary to improve and fill the gaps in the healthcare workforce. This project ties in nicely with the DHCD goals and strategies of #1 & 2 as well as the ability to assist in moving forward the District's Behavioral Health Initiative.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 17 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 34 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

**Total average proposal score: 87.75 / 100**

## **Grant Scoring Review**

### **Fiscal Staff Review # 1 of 2**

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**Fiduciary Compliance:** 9

**Financial Stability:** 8

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**Total Score:** 17.00

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**Reviewer Comments:** Fiduciary Compliance -

The FY 12/31/21 audit report is unmodified. The Board of Directors accepted the audit report.

Current Ratio is strong (3.2:1) which represents the grantee's ability to pay its short-term liabilities.

The Net Assets increased by \$938k as of 12/31/21, the Balance Sheet is in good order.

**Financial Stability -**

Grantee demonstrates a strong financial position.

The \$150,000 grant is fully funded by the District.

**Response Notes:**

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**Average Review Score:**

Fiscal Staff Review Stage: 17 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

**Sum of all Reviews:**

Fiscal Staff Review Stage: 34 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

**Total average proposal score: 87.75 / 100**

## **Grant Scoring Review**

### **Fiscal Staff Review # 2 of 2**

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**Fiduciary Compliance:** 9

**Financial Stability:** 8

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**Total Score:** 17.00

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**Reviewer Comments:** Audited financial statements reviewed and approved by board. Positive cash flow noted for most recently completed fiscal year with sufficient assets to address liabilities. Business plan in place but doesn't identify future funding sources. Grant is reasonable in comparison with organizational budget, which includes funding from multiple sources.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 17 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 34 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

**Total average proposal score: 87.75 / 100**

Grant #1328

**EXHIBIT B****PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES**Project Title

Expanding Access to Educational Resources for Promotores

Start/End

7/01/2022

6/30/2024

**PAYMENTS:**

(4) Payments: \$33,750.00

10% Retention: \$15,000.00

Total request amount: \$ 150,000

**GRANT AND PAYMENT SCHEDULE REQUIREMENTS:**

Scheduled Date	Requirement Number	Grant Requirements for Payment	Payment
7/01/2022		Signed Agreement submitted & accepted.	Advance of \$33,750.00 for time period 7/01/2022 - 12/31/2022
2/01/2023		1st six-month (7/01/2022 - 12/31/2022) progress report, budget reports and receipts submitted & accepted	Advance of \$33,750.00 for time period 1/01/2023 - 6/30/2023
8/01/2023		2nd six-month (1/01/2023 - 6/30/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$33,750.00 for time period 7/01/2023 - 12/31/2023
2/01/2024		3rd six-month (7/01/2023 - 12/31/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$33,750.00 for time period 1/01/2024 - 6/30/2024



8/01/2024		4th six-month (1/01/2024 – 6/30/2024) progress report, budget reports and receipts submitted & accepted	\$0
8/15/2024		Final report (7/01/2022 – 6/30/2024) and final budget report submitted & accepted	\$15,000.00 (10% retention)

**TOTAL GRANT AMOUNT: \$150,000**

## DELIVERABLES:

### Project Goals and Evaluation

<p><b>Goal #1:</b> The project will increase knowledge on health education, equity and policy advocacy among residents in the Coachella Valley, especially among Latinos and other minority groups, by the end of the project period.</p>	<p><b>Evaluation #1:</b> This goal will be evaluated by reaching the following outputs:</p> <ol style="list-style-type: none"> <li>1. El Sol will develop two curricula on equity and advocacy by the end of the first six months.</li> <li>2. 32 promotores will be trained on the two curricula and demonstrate an increase in knowledge gained by the end of month 9.</li> </ol>
<p><b>Goal #2:</b> The project will increase knowledge on mental health education and support for residents in the Coachella Valley, especially among Latinos and other minority groups, and provide enhanced support to 32 promotores by the end of the project period.</p>	<p><b>Evaluation #2:</b> This goal will be evaluated by reaching the following outputs:</p> <ol style="list-style-type: none"> <li>1. El Sol will hire a licensed mental health worker to conduct a mental health training and support session for 32 promotores by the end of month 3.</li> <li>2. 32 promotores will be trained on specific mental health topics, available mental health resources in the Coachella Valley, and how to initiate support groups by the end of month 6.</li> <li>3. Promotores will reach 2,000 residents with support information on mental health by the end of the two year project.</li> </ol>

<p><b>Goal #3:</b> The project will increase access to health education materials for other organizations, especially low-resourced, local organizations, by creating a virtual resource hub by the end of the project period.</p>	<p><b>Evaluation #3:</b> This goal will be evaluated by reaching the following outputs:</p> <ol style="list-style-type: none"><li>1. El Sol will hire a part-time web developer to design the resource hub by the end of month 3.</li><li>2. El Sol will design the virtual resource hub and upload at least 10 training resources by the end of the first year.</li><li>3. El Sol will promote this resource hub within CVEC and other local organizations/collaboratives to encourage knowledge and resource sharing.</li></ol>
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**Date:** 6/28/2022

**To:** Board of Directors

**Subject:** Grant #1331 Pueblo Unido CDC

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**Grant Request:** Interim Drinking Water Program (IDWP)

**Amount Requested:** \$50,000.00

**Project Period:** 7/1/2022 to 6/30/2024

Pueblo Unido CDC responds to the needs and concerns of underrepresented rural communities of the Eastern Coachella Valley through actively engaging and fostering collaborative efforts among residents and other stakeholders to find viable solutions, leverage critical resources, and bring new opportunities to improve the quality of life for its residents. Pueblo Unido seeks to achieve comprehensive, sustainable improvements through community-driven projects that address the root causes of poor physical and psychological health. In 2009, PUCDC initiated a new model of community work that supports, as a primary focus, community-driven projects and self-initiative to build healthy environments for families and children. One current project of Pueblo Unido is their work in the Polanco mobile home park communities in the ECV with their identified need of access to safe drinking water in the home and access to environmental and public health training and education resources.

Pueblo Unido seeks core operating support for their Interim Drinking Water Program, a second phase installation of water filtration units for drinking and cooking and to provide public health education for families living in Polanco parks in the Eastern Coachella Valley. This application identifies a project alignment to goal 3 of the District's Strategic Plan.

The Funds provided by the Desert Healthcare District will be used for travel, rent, phone, grant consultant fees, and partial salaries of four staff members. This grant is focused on core operating support for the continuation of the collective efforts of the Coachella Valley Equity Collaborative.



**Strategic Plan Alignment:**

Goal 3: Proactively expand community access to behavioral/mental health services.  
Strategy 3.7 Collaborate/Partner with community providers to enhance access to culturally sensitive behavioral/mental health services.

**Geographic Area(s) Served:** Mecca; North Shore; Oasis; Thermal

**Action by Board of Directors: (Please select one)**

- ✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$50,000.00 be approved.

Recommendation with modifications

Deny



## **Grant Application Summary**

### **Pueblo Unido CDC, Grant #1331**

#### **About the Organization**

Pueblo Unido CDC  
78080 Calle Amigo, Suite 103  
La Quinta, CA 92253  
<http://https://pucdc.org/>

**Tax ID #:** 26-3547211

#### **Primary Contact:**

Sergio Carranza  
Tel: (760) 777-7550  
[scarranza@pucdc.org](mailto:scarranza@pucdc.org)

#### **Organization History and Mission**

Mission: Pueblo Unido CDC responds to the needs and concerns of underrepresented rural communities of the Eastern Coachella Valley through actively engaging and fostering collaborative efforts among residents and other stakeholders to find viable solutions, leverage critical resources, and bring new opportunities to improve the quality of life for its residents.

History: Early in 2009, PUCDC initiated a new model of community work that has, as a primary focus, the support for community driven projects and self-initiative towards building a healthy environment for families and children. PUCDC's main assets are its strong and well-established community relationships, which constitute a long term commitment to improving the quality of life; technical expertise in proposing viable solutions; and a strong spirit of collaboration with other community based organizations.

**Organization Annual Budget:** \$1,902,596.00

#### **Historical (approved Requests)**

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
2019	Fostering Healthy Communities	\$50,000	Grant	2/11/2020	

2020	COVID 19 Collaborative	\$120,000	Grant	11/3/2020	
2020	COVID 19 Collaborative	\$25,000	Grant	2/11/2021	
2020	Covid 19 Collaborative	\$65,000	Grant	5/28/2021	

### **Project Information**

**Project Title:** Interim Drinking Water Program (IDWP)

**Start Date:** 8/1/2022 **End Date:** 7/31/2024

**Term:** 24 months

**Total Project Budget:** \$806,101

**Requested Amount:** \$50,000

### **Executive Summary:**

Safe drinking water, essential for behavioral/mental health, is a U.S. public health priority. Historically, the Eastern Coachella Valley (ECV) has long endured a lack of critical infrastructure necessary to provide access to safe drinking water and sanitation for Hispanic/Latino farmworker and other low-income families. An estimated 4,000 residents of the ECV live in Polanco mobile home parks not served by municipal water and sanitation services. These 14-unit farmworker housing communities depend on small water systems, private domestic wells and septic systems that fail to meet state requirements for water quality. Underground water is contaminated with high concentrations of arsenic and the resulting toxicity creates major environmental and public health problems. Chronic arsenic exposure in children can lead to mental retardation and developmental disabilities including cognitive, psychological, sensory and speech impairments. Many remote communities still use water exceeding maximum contaminant levels of arsenic and fluoride. Some families buy bottled water, which low-income families cannot afford. Lack of access to safe drinking water increases the risk of dehydration. Multiple studies have found links between dehydration and anxiety, depression, confusion, mood disorders, negative thoughts, memory problems, and fatigue.

Pueblo Unido (PUCDC) seeks core operating support for the Interim Drinking Water Program, a second phase installation of water filtration units for drinking and cooking and to provide public health education for families living in Polanco parks in the Eastern Coachella Valley. By July 2024, PUCDC will install 96 point-of-use Reverse Osmosis water filtration systems to provide reliable drinking water for an estimated 480 low-income residents in the most remote communities where municipal services are unavailable. The point-of-use Reverse Osmosis water filtration systems remove arsenic and other contaminants found in water. To date PUCDC has installed over 300 point-of-use Reverse Osmosis water filtration systems, providing safe drinking water for over 1,500 low-income residents. During the 2022-2024 grant period, PUCDC will also provide public health training and education to at least 480 low-income residents of Polanco mobile home park communities of the Eastern Coachella Valley. Evaluation will include data gathered from interviews, surveys, water testing, one health fair, eight community meetings, and three capacity building training workshops.

### **Community Need for the Project:**

Historically, the ECV has long endured a lack of critical infrastructure necessary to provide access to safe drinking water for farmworker and other low-income families. Underground water is contaminated with high concentrations of arsenic and the resulting toxicity creates major environmental and public health problems. Chronic arsenic exposure in children can lead to mental retardation and developmental disabilities including cognitive, psychological, sensory and speech impairments. Many remote communities still use water exceeding maximum contaminant levels of arsenic and fluoride.

An estimated 4,000 residents in the ECV live in Polanco mobile home parks not served by municipal water and sanitation services. These 14-unit farmworker housing communities depend on small water systems, private domestic wells and septic systems that do not meet state requirements for water quality. These systems are usually permitted and tracked by the Riverside County Environmental Health Department and the Coachella Valley Water District. But many communities in remote areas use water exceeding maximum contaminant levels of arsenic and fluoride because, to obtain safe water, families in mobile home parks not connected to a municipal water system must drive an average of 15 miles to the nearest shopping center and buy bottled water, spending over 10% of earnings purchasing water for drinking and cooking. They do not have the financial resources to remedy water quality problems on their own. A community treatment system is costly, out of reach. Lack of access to safe drinking water negatively impacts behavioral/mental health:

- (1) Psychological needs for autonomy and competence are negatively impacted by the inability provide a basic need—safe drinking water—for the family.
- (2) Lack of access to safe drinking water increases the risk of dehydration; multiple studies have found links between dehydration and anxiety, chronic stress, and depression.

These communities also lack information on mental/behavioral health support/resources, which PUCDC will provide.

### **Strategic Plan Alignment:**

Goal 3: Proactively expand community access to behavioral/mental health services.  
Strategy 3.7 Collaborate/Partner with community providers to enhance access to culturally sensitive behavioral/mental health services.

### **Project Description and Use of District funds:**

Pueblo Unido seeks to achieve comprehensive, sustainable improvements through community-driven projects that address the root causes of poor physical and psychological health. In 2009, PUCDC initiated a new model of community work that supports, as a primary focus, community-driven projects and self-initiative to build healthy environments for families and children. The core psychological needs addressed through this model are autonomy, agency, self-efficacy—being in charge of your life, knowing that you have a say in what happens to you, and that you have some ability to shape your circumstances—which directly correlate to individual and collective

empowerment that increase a sense of control over one's life, leading to a reduction in perceived stressors, and resulting in improved behavioral/mental health.

Current Project. Polanco mobile home park communities in the ECV have identified: (1) access to safe drinking water in the home and (2) access to environmental and public health training and education resources, as high priorities that will increase mental health within their families.

Safe Drinking Water. Through PUCDC's experience, we have identified two main approaches: 1) consolidation to a municipal service for cluster communities, which are multi-year projects that require long term investment; 2) decentralized systems to serve the most remote communities where municipal services are financially unfeasible. Through this second approach, Pueblo Unido has been successful at implementing its Rural Infrastructure Program which focuses on installing point-of-use Reverse Osmosis water filtration system under the sink to remove arsenic and other contaminants found in water. To date the program has installed over 300 point-of-use Reverse Osmosis water filtration systems, providing a great relief and wellness for over 1,500 low-income residents. By July 2024, Pueblo Unido will install 96 Reverse Osmosis water filtration systems to provide drinkable water of improved quality for an estimated 480 low-income residents of Polanco mobile home parks in the Eastern Coachella Valley.

Public Health Training & Resources. By July 2024, PUCDC will provide environmental and public health training and education resources to at least 480 low-income residents of Polanco mobile home parks in the Eastern Coachella Valley through one health fair, eight community meetings, and three capacity building training workshops.

Use of District Funds. District grant funds will support PUCDC salaries and fringe benefits; travel; office; phone; and consulting fees (grant writer).

### **Description of the Target Population (s):**

Located in Riverside County, the ECV includes the City of Coachella and the rural unincorporated communities of Thermal, Oasis, Mecca and North Shore. The population of approximately 60,000 residents is predominantly Spanish-speaking, low-income, and most are agricultural workers.

Within this population, an estimated 4,000 farmworker families, including children 0-18 years, live in more than 100 small family-owned mobile home parks legislatively designated "Polanco Parks." Polanco Park communities are part of California's cultural heritage: a story of entrepreneurial immigrant families from Mexico and Central America, self-initiative and resilience, rich cultural traditions and multigenerational family households. Polanco Park residents own their homes. While strong family networks, entrepreneurial expertise and a tremendous work ethic sustain the Polanco Parks, these farmworker families lack the financial and technical resources to address many health-related challenges confronting their mobile home park communities, including the lack of critical infrastructure to supply safe and clean drinking water.

Despite adverse conditions—substandard housing, poverty-level wages, unsafe drinking water, located in unincorporated areas that lack infrastructure—Polanco Park communities have played a remarkable role through their leadership and community



involvement. In 2014, this community participated in the Disadvantaged Communities Outreach Program, and established the top priorities for drinking water and sewer consolidation. Their work became the first Community Infrastructure Master Plan in California, which has resulted in securing \$23.4 million from the State Water Boards that will help with the consolidation of over 14 Polanco parks.

**Geographic Area(s) Served:**  
Mecca; North Shore; Oasis; Thermal

**Age Group:**  
(0-5) Infants  
(06-17) Children  
(18-24) Youth  
(25-64) Adults  
(65+) Seniors

**Total Number of District Residents Served:**  
Direct: 480  
Indirect: 4,000

**Project Goals and Evaluation**

<p><b>Goal #1:</b> By July 2024, PUCDC will provide environmental and public health training and education resources to at least 480 low-income residents of Polanco mobile home parks in the Eastern Coachella Valley through one Health Resources Fair (Spring 2023), three capacity-building training workshops (1st, 2nd and 4th quarters of calendar year 2023); and eight community meetings (2023-2024). This project goal coincides with the following DHCD Strategic Plan performance measures: “# of community awareness activities related to educating the community around behavioral/mental health services and resources”; “# of individuals reached through behavioral/mental healthcare community awareness activities (indirect)”; and “# of individuals who were connected to behavioral/mental health services and resources (direct)” under strategy 3.6 Educate</p>	<p><b>Evaluation #1:</b> Progress will be monitored and tracked by: successful presentation of one health fair, eight community meetings, and three capacity building training workshops; collection of quantitative data (sign-in sheets) gathered during each event; and collection of qualitative data, including pre- and post-training interviews and surveys to ensure training topics and workshops are meeting community needs. To ensure the goal is being met, Pueblo Unido will continue to schedule community monthly meetings throughout the project period.</p>
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community residents on available behavioral/mental health resources.	
<b>Goal #2:</b> By July 2024, PUCDC will expand access to safe drinking water by installing 96 under the sink Reverse Osmosis water filtration systems to provide drinkable water and of improved quality for an estimated 480 low-income residents of Polanco mobile home parks in the Eastern Coachella Valley. This project goal coincides with the DHCD Strategic Plan performance measure “# of individuals who received culturally-sensitive behavioral/mental health services” under strategy 3.7 Collaborate/partner with community providers to enhance access to culturally-sensitive behavioral/mental health services.	<b>Evaluation #2:</b> Pueblo Unido will track progress through monthly project meetings with PUCDC staff who will oversee the project: Community Capacity Building, and Water & Sanitation Technician, Administration and Operations, and Executive Director. Each staff member has key responsibilities to ensure that project goals are met. Project activities are evaluated by the Executive Director and Operations Director, who track progress, purchase orders, parts, and labor costs related to installation of the new units. Pueblo Unido’s Water & Sanitation Technician will install the units and provide water samples and testing. The Water& Sanitation Technician will directly work with the Riverside County Environmental Health Department to ensure water testing and water quality standards are met. PUCDC’s bilingual Director of Community Capacity Building will schedule installation and testing of each unit, and serve as the point of contact and information resource for homeowners.
<b>Goal #3:</b>	<b>Evaluation #3:</b>
<b>Goal #4:</b>	<b>Evaluation #4:</b>
<b>Goal #5:</b>	<b>Evaluation #5:</b>

### Proposed Project Evaluation Plan

Pueblo Unido uses both internal and external evaluation methods to assess its progress and impact. At the internal level, the Executive Director and Board of Directors evaluate organizational progress upon the completion of every project. Multi-year projects are evaluated quarterly and at the end of every fiscal year. Typically, the Community Capacity Building Director collects quantitative and qualitative data before, during, and after a project. Once collected, the data is analyzed and interpreted to identify any need for operational changes and/or measure the project/program’s effectiveness. Depending on the strategic or action plan, every project will have benchmarks (indicators), standards, outcomes, processes, timeframes, and goals that are measured and assessed, typically through calendar grids. External evaluation methods include questionnaire surveys and qualitative measures such as observations and interviews to ensure programmatic goals and objectives are being met. Data collected from the project proposed in this application will be analyzed and interpreted to inform future programming with the same/similar target populations, selecting and cultivating partnerships, and fundraising.

## **Organizational Capacity and Sustainability**

### **Organizational Capacity**

Pueblo Unido's staff and the Board of Directors have a long history of leadership in resolving the most challenging issues impacting the lives of farm workers and low-income families. Since 2009, this expertise has resulted in road safety improvements, planning and development of sewer collection systems, development of affordable housing, and extension of the domestic water supply to include mobile home park residents in the ECV. The following list highlights Pueblo Unido's organizational capacity, all of whom are full-time paid staff:

- ☐ Executive Director
- ☐ Director of Administration and Operations
- ☐ Director of Community Capacity Building
- ☐ Fund Development & Communications Associate
- ☐ Executive Administrative Assistant
- ☐ Water & Sanitation Technician

Organizational leadership is provided by the Executive Director and six dedicated volunteers serving on the PUCDC Board of Directors. Pueblo Unido partners with professionals under contract agreements in the fields of accounting, engineering, architectural design, and legal services.

### **Organizational Sustainability:**

The project and project funding are in alignment with PUCDC's strategic plan. The project for which we seek funding would be part of PUCDC's continuing work under our Rural Infrastructure Program (<https://pucdc.org/rural-development/>), which is focused on cost-effective solutions—primarily point-of-entry and point-of-use water filtration systems—to remove arsenic and fluoride from drinking water in the ECV. To date the program has installed over 300 point-of-use Reverse Osmosis water filtration systems, providing a great relief and wellness for over 1,500 low-income residents. Pueblo Unido's funding model secures core operating support from foundations and sub-contract awards to fund the day-to-day operations of the organization. This funding allows Pueblo Unido's dedicated team to attract and secure larger project grants that are direct investments in the health and development of ECV rural communities. Combined, this funding supports Pueblo Unido's programs and the staff time needed to implement them. Today, for every \$1 secured through sub-contract awards and core operating grants, a total of \$7 has been acquired in direct community investment from major government and foundation grants. Since 2010, Pueblo Unido has leveraged over \$15 million to benefit the organization's community-driven model core areas: rural infrastructure, community economic development, and affordable housing.

## **Diversity, Equity, and Inclusion**

### **How is diversity, equity, and inclusion addressed?**

Pueblo Unido staff are drawn from the communities that Pueblo Unido serves in the Eastern Coachella Valley and they reflect the diversity of these communities, which are predominantly Hispanic/Latino. Current staff represent a new generation of leaders

whose parents continue working in the ECV's agricultural fields, live in disadvantaged communities or have direct cultural or family ties to the communities we serve. But this is not a new experience for us. Since Pueblo Unido CDC was founded in 2009, nearly all executive and support staff and Board members have had roots in the Eastern Coachella Valley. Typically, 50% of members of the Board of Directors are represented by farmworker families with backgrounds in education and finance. This professional environment validates organizational fiscal responsibility and transparency, while connection to ECV friends, family, colleagues and traditions inspires our work and keeps us focused on the priorities established by the community-driven model.

**What is preventing the organization from addressing diversity, equity, and inclusion? N/A**

### **Partnerships:**

#### **Key Partners:**

Pueblo Unido works in collaboration with other nonprofit organizations, state and federal entities, the local water district, and Riverside County's elected officials to raise public awareness about the environmental, public health and economic conditions affecting the quality of life in local communities, and to identify solutions that will reduce barriers, increase opportunity, and allow residents access to essential health services. Strategic cross-sector partnerships have increased our impact and already produced transformational victories in the ECV. Three important collaborations illustrate Pueblo Unido's approach.

First, Pueblo Unido has built a strong working relationship with the Coachella Valley Water District. This institution holds the political power and technical capacity necessary to respond to the infrastructure needs identified by the community. Pueblo Unido is a member of CVWD's Disadvantaged Communities Infrastructure Committee (DACIC), a cross-sector collaboration whose goal is to secure access to safe affordable drinking water, wastewater, and flood control services in the ECV. The committee is developing an Infrastructure Development Plan that addresses the infrastructure gaps in ECV.

Second, Pueblo Unido is an organizational partner in Alianza CV. Alianza is the only alliance in the ECV bringing together community members, nonprofits, and government officials to lead efforts needed for a thriving region. Our goal at Alianza is to transform the socio-economic conditions of the ECV so that people in our communities have opportunities to prosper.

Third, Pueblo Unido is an active member of the Housing Review Committee Advisory Council for the unincorporated area of the Coachella Valley. The Advisory Council was established by the Riverside County Board of Supervisors in 2002 to receive and review complaints concerning the County's mobile home park community and employee housing enforcement program. Pueblo Unido leads efforts in the Resource, Process and Outreach subcommittees to leverage resources, engage community, and provide recommendations.

**Line Item Budget  
Project  
Operational Costs**

PROJECT OPERATIONS		Total Project Budget	Funds from Other Sources <b>Detail on sheet 3</b>	Amount Requested from DHCD
<b>Total Staffing Costs</b> <b>Detail on sheet 2</b>		\$ 141,000.00	\$ 97,452.00	\$ 43,548.00
<b>Equipment (itemize)</b>				
1	Program Implementation/Water Systems	\$ 638,000.00	\$ 638,000.00	\$ -
2				\$ -
3				\$ -
4				\$ -
<b>Supplies (itemize)</b>				
1				\$ -
2				\$ -
3				\$ -
4				\$ -
<b>Printing / Duplication</b>				\$ -
<b>Mailing / Postage</b>				\$ -
<b>Travel / Mileage (use current Federal mileage rate)</b>		\$ 7,000.00	\$ 5,793.46	\$ 1,206.55
<b>Education / Training</b>				\$ -
* Items listed below are included for calculation of the total project budget only. For use of DHCD funds, these line items would be included in the allowable 10% indirect cost rate.				
<b>Office / Rent / Mortgage*</b>		\$ 11,725.50	\$ 11,725.50	\$ -
<b>Telephone / Fax / Internet*</b>		\$ 2,430.00	\$ 2,430.00	\$ -
<b>Utilities*</b>			\$ -	\$ -
<b>Insurance*</b>			\$ -	\$ -
<b>Other direct project costs not described above (itemize)</b>				
1	GRANT WRITER CONSULTANT	\$ 700.00	\$ -	\$ 700.00
2				\$ -
3				\$ -
4				\$ -
<b>Indirect Cost Rate - Maximum of 10% Allowed</b>				\$ 4,545.45
<b>Total Project Budget</b>		<b>\$ 805,400.95</b>	<b>\$ 755,400.96</b>	<b>\$ 50,000.00</b>
<b>Budget Narrative</b>	Fully describe items above in this cell. You may insert rows or create additional worksheets if more space is needed to fully describe your budget. THE AMOUNT REQUESTED FROM DHCD IS SPECIFIC TO THIS PROJECT ONLY. PUCDC IS REQUESTING THE FOLLOWING AMOUNTS FOR STAFFING COSTS: \$11,648 FOR THE DIRECTOR OF COMMUNITY CAPACITY BUILDING AND \$31,200 FOR THE WATER TECHNICIAN. ADDITIONALLY, \$1,206.55 FOR TRAVEL/MILEAGE REIMBURSEMENT, \$700 FOR OUR GRANT WRITING CONSULTANT, AND 10% OR \$4,545.45 FOR INDIRECT COSTS.			

## Line Item Budget Staffing Costs

Staff Salaries		Annual Salary	% of Time Allocated to Project	Actual Program Salary	Total Project Salary
<b>Employee Position/Title</b>					
1	DIR. COMMUNITY CAP BLDG	\$ 58,240.00	50%	29,120.00	\$ 29,120.00
2	WATER TECHNICIAN	\$ 39,000.00	100%	39,000.00	\$ 39,000.00
3	EXECUTIVE DIRECTOR	\$ 100,000.00	50%	50,000.00	\$ 50,000.00
4	EXECUTIVE ADMIN ASST	\$ 45,760.00	50%	22,880.00	\$ 22,880.00
5				-	
6				-	
7				-	
8				-	
<b>Total Employee Benefits / Employer Taxes - proportional fringe costs and/or employer taxes based on % of time allocated to project</b>				-	
<b>Enter this amount in Section 1; Staffing Costs</b>				<b>Total &gt;</b>	<b>\$ 141,000.00</b>
<b>Budget Narrative</b>	Please describe in detail the scope of work and duties for each employee on this grant. THE EXECUTIVE DIRECTOR OVERSEES EMPLOYEES AND THE OPERATIONAL AND PROGRAM ACTIVITIES OF PUCDC. THE DIRECTOR OF COMMUNITY CAPACITY BUILDING LEADS THE COMMUNITY OUTREACH EFFORTS FOR PUCDC's CRITICAL INFRASTRUCTURE PROJECTS. THE WATER TECHNICIAN CONDUCTS AND OVERSEES THE INSTALLATION AND MAINTENANCE OF THE WATER FILTRATION & WATER TESTING SERVICES PROVIDED BY PUCDC. THE EXECUTIVE ADMINISTRATIVE ASSISTANT ASSISTS WITH GRANT ADMINISTRATION.				
<b>Budget Narrative</b>	Please describe in detail the employee benefits including the percentage and salary used for calculation. THE STAFFING COSTS REQUESTED FOR THIS PROJECT WILL INCLUDE THE FOLLOWING FRINGE BENEFITS/EXPENSES: HEALTH, VISION & DENTAL INSURANCE, 403(B) RETIREMENT PLAN MATCH, CELLPHONE REIMBURSEMENT, WORKERS COMPENSATION INSURANCE, & PAYROLL TAX). THE ACTUAL PERCENTAGE OF FRINGE BENEFITS PER EMPLOYEE VARIES.				
Professional Services / Consultants		Hourly Rate	Hours/Week	Monthly Fee	Total Project Fees
<b>Company and Staff Title</b>					
1					\$ -
2					
3					
4					
5					
<b>Enter this amount in Section 1; Staffing Costs</b>				<b>Total &gt;</b>	<b>\$ -</b>
<b>Budget Narrative</b>	Please describe in detail the scope of work for each professional service/consultant on this grant.				

Line Item Budget  
Other Project Funds

Other funding received (actual or projected) SPECIFIC to this project. "Total funding in addition to DHCD request" below should match or exceed value listed in Section 1 for "Funds from Other Sources".			Amount
Fees			
Donations			
Grants (List Organizations)			
PROJECTED	1	DESERT HEALTHCARE DISTRICT & FOUNDATION/	\$ 50,000.00
ACTUAL	2	STATE WATER RESOURCE CONTROL BOARD (SWRCB)	\$ 706,000.00
	3		
	4		
Fundraising (describe nature of fundraiser)			
	1		
	2		
Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)			
	1		
	2		
	3		
	4		
Total funding in addition to DHCD request			\$ 756,000.00
Budget Narrative	Describe project income listed above. Note whether income is "projected" or actual. SWRCB IS AN AWARDED MULTI-YEAR GRANT WHICH COVERS SALARIES AND PROGRAM IMPLEMENTATION. THE GRANT A COST REIMBURSEMENT GRANT. PUCDC IS ACTIVELY SEEKING OTHER FUNDING SOURCES FOR ITS PROGRAMS/PROJECTS.		

## **Grant Scoring Review**

### **Grant Staff Review # 1 of 4**

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**Executive Summary:** 8

**Community Need and Alignment:** 9

**Goals:** 8

**Proposed Evaluation Plan:** 8

**Applicant Capacity and Infrastructure:** 8

**Organizational Sustainability:** 8

**Budget:** 9

**Key Partners/Collaborations:** 9

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**Total Score:** 67.00

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**Reviewer Comments:** Pueblo Unido CDC has been advocating for the farmworker communities of the Eastern Coachella Valley, who reside in mobile home parks. Most of these mobile home parks lack basic infrastructure like paved roads, reliable electric grid, and potable safe drinking water. Without these basic needs, residents living in these mobile home parks have an increased risk of health related issues. DHCD grant funds will provide 96 much needed water filtration systems and capacity building for mobile home park residents.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18 (2 of 2)

Grant Program Staff Review Stage: 68.75 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 36 (2 of 2)

Grant Program Staff Review Stage: 275 (4 of 4)

**Total average proposal score: 86.75 / 100**



## **Grant Scoring Review**

### **Grant Staff Review # 2 of 4**

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**Executive Summary:** 10

**Community Need and Alignment:** 8

**Goals:** 8

**Proposed Evaluation Plan:** 8

**Applicant Capacity and Infrastructure:** 8

**Organizational Sustainability:** 10

**Budget:** 10

**Key Partners/Collaborations:** 9

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**Total Score:** 71.00

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**Reviewer Comments:** The work of Pueblo Unido CDC is important to the community it serves. The lack of basic supports needed have an impact on the well being of these community members and can cause anxiety and a wide array of psychological impactors. This plan to address a primary need related to safe, fresh drinking water along with the sharing of educational information regarding community services available will have a positive impact on this community. The linkage to other key partners in the community, county and state are an important factor toward sustained focus in this area. The structure for the provision, testing and tracking of the impact of the support presented will inform future practices.

**Response Notes:**

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**Average Review Score:**

Fiscal Staff Review Stage: 18 (2 of 2)

Grant Program Staff Review Stage: 68.75 (4 of 4)

**Sum of all Reviews:**

Fiscal Staff Review Stage: 36 (2 of 2)

Grant Program Staff Review Stage: 275 (4 of 4)

**Total average proposal score: 86.75 / 100**

## **Grant Scoring Review**

### **Grant Staff Review # 3 of 4**

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**Executive Summary:** 9

**Community Need and Alignment:** 9

**Goals:** 9

**Proposed Evaluation Plan:** 9

**Applicant Capacity and Infrastructure:** 9

**Organizational Sustainability:** 9

**Budget:** 8

**Key Partners/Collaborations:** 9

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**Total Score:** 71.00

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**Reviewer Comments:** Pueblo Unido is a leader in the community addressing and advocating for clean and safe drinking water. Pueblo Unido successfully leverages and received state and federal funding and takes the lead in addressing this unnecessary and preventive public health crisis in the Coachella Valley.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18 (2 of 2)

Grant Program Staff Review Stage: 68.75 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 36 (2 of 2)

Grant Program Staff Review Stage: 275 (4 of 4)

**Total average proposal score: 86.75 / 100**

## **Grant Scoring Review**

### **Grant Staff Review # 4 of 4**

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**Executive Summary:** 8

**Community Need and Alignment:** 9

**Goals:** 7

**Proposed Evaluation Plan:** 7

**Applicant Capacity and Infrastructure:** 9

**Organizational Sustainability:** 9

**Budget:** 8

**Key Partners/Collaborations:** 9

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**Total Score:** 66.00

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**Reviewer Comments:** Pueblo Unido's vision is to help create a vibrant, productive, and sustainable rural community that attracts resources and investments for leadership development, training and education, drinking water, innovative and viable affordable housing, and community economic opportunities. Their request to the District focuses is for the continuation of bringing clean water to the Poloanco mobile home park communities and access to environmental and public health training and education resources through a funding ask for core operating support. Unrestricted support allows them to continue to focus on addressing root causes of poor physical and psychological health through community-driven projects that build healthy environments for families and children.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18 (2 of 2)

Grant Program Staff Review Stage: 68.75 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 36 (2 of 2)

Grant Program Staff Review Stage: 275 (4 of 4)

**Total average proposal score: 86.75 / 100**

## **Grant Scoring Review**

### **Fiscal Staff Review # 1 of 2**

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**Fiduciary Compliance:** 8

**Financial Stability:** 9

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**Total Score:** 17.00

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**Reviewer Comments:** Fiduciary Compliance -

The FY 06/30/20 audit report is unmodified. The Board of Directors accepted the audit report.

Audit report Current Ratio is strong (13:1) and the internal unaudited financial statements, as of 4/30/22, show 104:1, which represents the grantee's ability to pay its short-term liabilities.

The Net Assets increased by \$75k as of 6/30/20, with Total Net Assets of \$3.2M. Internal financial statements, as of 4/30/22 demonstrates a decrease of \$245k. The Balance Sheet is in good order.

**Financial Stability -**

Grantee demonstrates a sound financial position.

Grantee has diversified resources for this project of 805,400. The District's grant of \$50,000 is well supported by other resources.

**Response Notes:**

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**Average Review Score:**

Fiscal Staff Review Stage: 18 (2 of 2)

Grant Program Staff Review Stage: 68.75 (4 of 4)

**Sum of all Reviews:**

Fiscal Staff Review Stage: 36 (2 of 2)

Grant Program Staff Review Stage: 275 (4 of 4)

**Total average proposal score: 86.75 / 100**

## **Grant Scoring Review**

### **Fiscal Staff Review # 2 of 2**

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**Fiduciary Compliance:** 9

**Financial Stability:** 10

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**Total Score:** 19.00

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**Reviewer Comments:** Audited financial statements reviewed and approved by Board. 2021 audit not yet available. Positive cash flow documented with sufficient assets to address liabilities. Strategic plan in place which identifies future funding sources. Grant is reasonable in comparison with organizational budget, which includes funding from multiple sources.

**Response Notes:**

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### **Average Review Score:**

Fiscal Staff Review Stage: 18 (2 of 2)

Grant Program Staff Review Stage: 68.75 (4 of 4)

### **Sum of all Reviews:**

Fiscal Staff Review Stage: 36 (2 of 2)

Grant Program Staff Review Stage: 275 (4 of 4)

**Total average proposal score: 86.75 / 100**

Grant #1331

**EXHIBIT B****PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES**Project Title

Interim Drinking Water Program (IDWP)

Start/End

7/01/2022

6/30/2024

**PAYMENTS:**

(4) Payments: \$11,250.00

10% Retention: \$5,000.00

Total request amount: \$ 50,000

**GRANT AND PAYMENT SCHEDULE REQUIREMENTS:**

Scheduled Date	Requirement Number	Grant Requirements for Payment	Payment
7/01/2022		Signed Agreement submitted & accepted.	Advance of \$11,250.00 for time period 7/01/2022 - 12/31/2022
2/01/2023		1st six-month (7/01/2022 - 12/31/2022) progress report, budget reports and receipts submitted & accepted	Advance of \$11,250.00 for time period 1/01/2023 - 6/30/2023
8/01/2023		2nd six-month (1/01/2023 - 6/30/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$11,250.00 for time period 7/01/2023 - 12/31/2023
2/01/2024		3rd six-month (7/01/2023 - 12/31/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$11,250.00 for time period 1/01/2024 - 6/30/2024

8/01/2024		4th six-month (1/01/2024 – 6/30/2024) progress report, budget reports and receipts submitted & accepted	\$0
8/15/2024		Final report (7/01/2024 – 6/30/2024) and final budget report submitted & accepted	\$5,000.00 (10% retention)

**TOTAL GRANT AMOUNT: \$50,000**

## DELIVERABLES:

### Project Goals and Evaluation

<p><b>Goal #1:</b> By July 2024, PUCDC will provide environmental and public health training and education resources to at least 480 low-income residents of Polanco mobile home parks in the Eastern Coachella Valley through one Health Resources Fair (Spring 2023), three capacity-building training workshops (1st, 2nd and 4th quarters of calendar year 2023); and eight community meetings (2023-2024). This project goal coincides with the following DHCD Strategic Plan performance measures: “# of community awareness activities related to educating the community around behavioral/mental health services and resources”; “# of individuals reached through behavioral/mental healthcare community awareness activities (indirect)”; and “# of individuals who were connected to behavioral/mental health services and resources (direct)” under strategy 3.6 Educate community residents on available behavioral/mental health resources.</p>	<p><b>Evaluation #1:</b> Progress will be monitored and tracked by: successful presentation of one health fair, eight community meetings, and three capacity building training workshops; collection of quantitative data (sign-in sheets) gathered during each event; and collection of qualitative data, including pre- and post-training interviews and surveys to ensure training topics and workshops are meeting community needs. To ensure the goal is being met, Pueblo Unido will continue to schedule community monthly meetings throughout the project period.</p>
<p><b>Goal #2:</b> By July 2024, PUCDC will expand access to safe drinking water by installing 96 under the sink Reverse Osmosis water filtration systems to provide drinkable water and of improved quality for an estimated 480</p>	<p><b>Evaluation #2:</b> Pueblo Unido will track progress through monthly project meetings with PUCDC staff who will oversee the project: Community Capacity Building, and Water &amp; Sanitation</p>

<p>low-income residents of Polanco mobile home parks in the Eastern Coachella Valley. This project goal coincides with the DHCD Strategic Plan performance measure “# of individuals who received culturally-sensitive behavioral/mental health services” under strategy 3.7 Collaborate/partner with community providers to enhance access to culturally-sensitive behavioral/mental health services.</p>	<p>Technician, Administration and Operations, and Executive Director. Each staff member has key responsibilities to ensure that project goals are met. Project activities are evaluated by the Executive Director and Operations Director, who track progress, purchase orders, parts, and labor costs related to installation of the new units. Pueblo Unido’s Water &amp; Sanitation Technician will install the units and provide water samples and testing. The Water&amp; Sanitation Technician will directly work with the Riverside County Environmental Health Department to ensure water testing and water quality standards are met. PUCDC’s bilingual Director of Community Capacity Building will schedule installation and testing of each unit, and serve as the point of contact and information resource for homeowners.</p>
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## **RESOLUTION NO. 22-14**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT HEALTHCARE DISTRICT RE-RATIFYING THE STATE OF EMERGENCY AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS**

WHEREAS, Desert Healthcare District (“District”) is committed to preserving and fostering access and participation in meetings of its Board of Directors; and

WHEREAS, Government Code section 54953(e) makes provisions for remote teleconferencing participation in meetings by members of a legislative body without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain emergency conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote vaccines, masking, and social distancing, and that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted Resolution No. 22-01 on September 28, 2021, finding that the requisite conditions exist for the Board of Directors of the District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Government Code section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District and vaccine compliance, masking, and social distancing measures are required to be followed for the continued health and safety of the District Board, staff, and the public; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the District shall conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by Government Code section 54953(e), and that such meetings shall comply with the requirements to provide the public with access to the meetings as prescribed in Government Code section 54953(e);

THEREFORE, BE IT RESOLVED by the Desert Healthcare District Board of Directors as follows:

Section 1: Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2: Affirmation that a Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District.

Section 3: Re-Ratification of the Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor's Proclamation of a State of Emergency.

Section 4. Remote Teleconference Meetings. The District's Chief Executive Officer is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this resolution, including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Ralph M. Brown Act.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Desert Healthcare District held on June 28, 2022, by the following roll call vote:

AYES: Directors\_\_\_\_\_

NOES: Directors\_\_\_\_\_

ABSTAIN: Directors\_\_\_\_\_

ABSENT: Directors\_\_\_\_\_

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Karen Borja, President  
Board of Directors

ATTEST:

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Carmina Zavala, PsyD, Secretary  
Board of Directors



Date: June 28, 2022

To: Board of Directors

Subject: Resolution 22-15 – Carrying Over Unawarded Grant Funds from Fiscal Year 2021/2022 For Use In Fiscal Year 2022/2023 - \$2,566,566.

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**Staff Recommendation:** Consideration to approve Resolution 22-15 – Carrying Over Unawarded Grant Funds from Fiscal Year 2021/2022 For Use In Fiscal Year 2022/2023 - \$2,566,566.

**Background:**

- During the fiscal year 2022, the District and Foundation continued to take significant actions directed at COVID-19 education, testing and vaccinations predominantly funded through CARES/Epidemiology and Laboratory Capacity (ELC) Enhancing Detection funding through the California Department of Public Health totaling \$3,150,000. Additional funding was provided by the Public Health Institute in the amount of \$725,000.
- DHCD has granted approximately \$1,500,000 of the FY22 \$4,000,000 grant budget through its normal grant funding processes. However, an unawarded grant funding balance remains in the amount of \$2,566,566.
- Resolution 22-15 requests the Board to consider committing the unawarded grant funding to FY23.
- The resolution directs staff to create a reserve (Reserve) for the unawarded funds on the District's books in the amount of \$2,566,566. The resolution allows the Reserve to be utilized, in addition to the FY23 grant funding budget in FY23. The Reserve would be committed to specific purposes identified and approved by the Directors through the normal grant funding process. The District's audit firm has validated this is an acceptable practice.
- Staff recommends approval of Resolution 22-15.

**Fiscal Impact:**

\$2,566,566 will be accrued (Reserve) as an expense and a grant liability on the District's Grants Payments Schedule as of June 30, 2022.

The Reserve will be utilized first in allocating grant funding in FY23 before using the FY23 grant budget.

## **RESOLUTION NO. 22-15**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT HEALTHCARE DISTRICT CARRYING OVER UNAWARDED GRANT FUNDS FROM FISCAL YEAR 2021/2022 FOR USE IN FISCAL YEAR 2022/2023**

WHEREAS, during fiscal year 2021/2022, the COVID-19 pandemic continues to affect the normal grant funding processes of the Desert Healthcare District (“District”) and Desert Healthcare Foundation (“Foundation”); and

WHEREAS, the District and Foundation continue to take significant actions directed at COVID-19 education, testing, and vaccinations predominantly funded through CARES/Epidemiology and Laboratory Capacity Enhancing Detection totaling \$3,150,000 and funding provided by the Public Health Institute in the amount of \$725,000; and

WHEREAS, the District was still able to grant approximately \$1,500,000 of the \$4,000,000 in the fiscal year 2020/2021 grants budget through its normal funding processes; and

WHEREAS, there remains an unawarded balance in the amount of \$2,566,566 for fiscal year 2021/2022; and

WHEREAS, at the Finance & Administration Committee meeting on June 14, 2022, the Committee recommended that District staff prepare a resolution for consideration by the Board of Directors of the District to carry over the unawarded funds for use in fiscal year 2022/2023; and

WHEREAS, the Board of Directors of the District desires by this resolution to authorize District staff to create a reserve (hereinafter the “Reserve”) for the unawarded funds in the amount of \$2,566,566 which shall be in addition to the funds designated in the fiscal year 2022/2023 grants budget. The Reserve would be committed to specific purposes identified and approved by the Directors through the normal grant funding process.

THEREFORE, BE IT RESOLVED by the Desert Healthcare District Board of Directors as follows:

Section 1: A Reserve of the unawarded funds in the amount of \$2,566,566 for fiscal year 2021/2022 is hereby created for use in fiscal year 2022/2023. The Reserve shall be in addition to the funds designated in the fiscal year 2022/2023 grants budget.

Section 2: The Chief Executive Officer of the District is hereby directed to take all necessary actions to effectuate the intent and purpose of this resolution.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Desert Healthcare District held on June 28, 2022, by the following roll call vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Karen Borja  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Carmina Zavala, PsyD  
Secretary

DESERT HEALTHCARE DISTRICT								
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE								
June 30, 2022								
TWELVE MONTHS ENDING JUNE 30, 2022								
Preliminary Schedule for Allocation Detail								
Grant ID Nos.	Name	Approved Grants - Prior Yrs.	6/30/2021 Bal Fwd.	Current Yr. 2021-2022	Total Paid Prior Yrs. July-June	Total Paid Current Yr. July-June	Open BALANCE	
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 6,660,000		\$ 1,670,000		\$ 4,990,000	
2019-994-BOD-05-28-19	One Future Coachella Valley - Mental Health College & Career Pathway Development - 2 Yrs.	\$ 700,000	\$ 148,750		\$ 148,750		\$ -	
2020-1085-BOD-05-26-20	Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.	\$ 50,000	\$ 5,000		\$ 5,000		\$ -	
2020-1057-BOD-05-26-20	Desert Cancer Foundation - Patient Assistance Program - 1 Yr.	\$ 150,000	\$ 15,000		\$ 15,000		\$ -	
2020-1139-BOD-09-22-20	CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.	\$ 50,000	\$ 5,000		\$ -		\$ 5,000	
2020-1135-BOD-11-24-20	Hope Through Housing Foundation - Family Resilience - 1 Yr.	\$ 20,000	\$ 2,000		\$ 1,098		\$ 902	
	Unexpended funds Grant #1135						\$ (902)	
2020-1149-BOD-12-15-20	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 40,000	\$ 22,000		\$ 22,000		\$ -	
2021-1136-BOD-01-26-21	Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr.	\$ 119,432	\$ 65,688		\$ 53,744		\$ 11,944	
2021-1147-BOD-01-26-21	Alzheimer's Association - Critical Program Support - 1 Yr.	\$ 33,264	\$ 18,295		\$ 18,295		\$ -	
2021-1162-BOD-01-26-21	Joslyn Center - Wellness Center Program Support - 1 Yr.	\$ 109,130	\$ 60,022		\$ 60,022		\$ -	
2021-1170-BOD-02-23-21	Jewish Family Services - Mental Health Counseling for Underserved Residents - 1 Yr.	\$ 80,000	\$ 44,000		\$ 44,000		\$ -	
2021-1141-BOD-03-23-21	Martha's Village & Kitchen - Homeless Housing With Wrap Around Services - 1 Yr.	\$ 210,905	\$ 115,998		\$ 115,998		\$ -	
2021-1171-BOD-03-23-21	Blood Bank of San Bernardino/Riverside Counties - Bloodmobiles for Coachella Valley - 18 Months	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000	
2021-1174-BOD-03-23-21	Mizell Center - Geriatric Case Management Program 1 Yr.	\$ 100,000	\$ 55,000		\$ 55,000		\$ -	
2021-1266-BOD-04-27-21	Galilee Center - Our Lady of Guadalupe Shelter - 1 Yr.	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000	
2021-1277-BOD-04-27-21	Lift To Rise - United Lift Rental Assistance 2021 - 8 Months	\$ 300,000	\$ 210,000		\$ 180,000		\$ 30,000	
2021-1280-BOD-05-25-21	Desert AIDS Project - DAP Health Expands Access to Healthcare - 1Yr.	\$ 100,000	\$ 55,000		\$ 45,000		\$ 10,000	
2021-21-02-BOD-06-22-21	Carry over of remaining Fiscal Year 2020/2021 Funds*	\$ 1,854,873	\$ 1,854,873		\$ 884,646		\$ 970,227	
2021-1296-BOD-11-23-21	Coachella Valley Volunteers In Medicine - Improving Access to Healthcare Services - 1 Yr.			\$ 154,094		\$ 69,342	\$ 84,752	
2021-1289-BOD-12-21-21	Desert Cancer Foundation - Patient Assistance Program - 1 Yr.			\$ 150,000		\$ 67,500	\$ 82,500	
2022-1301-BOD-01-25-22	UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr.			\$ 113,514		\$ 51,081	\$ 62,433	
2022-1302-BOD-01-25-22	Vision To Learn - Palm Springs, Desert Sands, and Coachella Valley School Districts 1 Yr.			\$ 50,000		\$ 22,500	\$ 27,500	
2022-1303-BOD-01-25-22	CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.			\$ 54,056		\$ 24,325	\$ 29,731	
2022-1306-BOD-02-22-22	Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.			\$ 123,451		\$ 55,553	\$ 67,898	
2022-1311-BOD-04-26-22	Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.			\$ 102,741		\$ 46,233	\$ 56,508	
2022-1313-BOD-04-26-22	Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities 1 Yr.			\$ 76,790		\$ 34,555	\$ 42,235	
2022-1314-BOD-05-24-22	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.			\$ 60,000		\$ -	\$ 60,000	
2022-0965-BOD-06-28-22**	Desert Healthcare Foundation - Behavioral Health Initiative Expansion - 3 Yrs.			\$ 2,000,000		\$ -	\$ 2,000,000	
2022-1325-BOD-06-28-22**	Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs.			\$ 150,000		\$ -	\$ 150,000	
2022-1327-BOD-06-28-22**	Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs.			\$ 50,000		\$ -	\$ 50,000	
2022-1328-BOD-06-28-22**	El Sol - Expanding Access to Educational Resources for Promotores - 2 Yrs.			\$ 150,000		\$ -	\$ 150,000	
2022-1331-BOD-06-28-22**	Pueblo Unido - Improving Access to Behavioral Health Education and Prevention Services - 2 Yrs.			\$ 50,000		\$ -	\$ 50,000	
							\$ -	
TOTAL GRANTS		\$ 14,217,604	\$ 9,501,626	\$ 3,284,646	\$ 3,453,553	\$ 371,089	\$ 8,960,728	
Amts available/remaining for Grant/Programs - FY 2021-22:								
Amount budgeted 2021-2022			\$ 4,000,000			G/L Balance:	6/30/2022	
Amount granted through June 30, 2022:			\$ (3,284,646)					
Mini Grants:	1293; 1294; 1317		\$ (15,000)			2131	\$ 3,970,728	
Financial Audits of Non-Profits; Organizational Assessments			\$ (4,000)			2281	\$ 4,990,000	
Net adj - Grants not used:	FY20-21 Funds, 1124, 1135		\$ 1,870,212			Total	\$ 8,960,728	
Matching external grant contributions			\$ -				\$ (0)	
Balance available for Grants/Programs			\$ 2,566,566					
* Value listed in Total Paid column reflects funds granted from carryover funds. Actual grant payments will be reflected under the respective grant.								
**Grant approval anticipated to calculate remaining grant funds available for Carryover								



**DESERT HEALTHCARE**  
**DISTRICT & FOUNDATION**

Date: June 28, 2022

To: BOARD OF DIRECTORS

Subject: Behavioral Health Initiative Expansion and Grant Amendment for \$2,000,000

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In the most recent Board of Directors meeting on May 24, 2022, the Desert Healthcare District staff was directed to explore an additional allocation of \$2 million for behavioral health and homelessness.

**Staff recommendation:**

After careful consideration of community input provided through our Mental and Behavioral Health Needs Assessment (2019), Community Health Needs Assessment (CHNA) (2020), community stakeholder outreach, and ongoing input from our Behavioral Health Initiative Working Groups and Steering Committee membership (2022), staff recommends the full allocation to be made toward Strategic Goal #3 (Proactively expand community access to behavioral/mental health services) to advance strategic plan priorities identified in this area. This allocation would support the ability to make the necessary resources available through RFP's to better address prevailing needs as expressed by our community members.

The staff is requesting the approval of an additional allocation of \$2 million to the Board-approved Behavioral Health Initiative, bringing the total amount in the collective fund to \$3.3 million.

**Background:**

- **Behavioral Health Initiative:** In response to the results of the DHCD Mental and Behavioral Health Needs Assessment (2019), a stakeholder focused, collaborative model was implemented to begin to review the areas of need as identified by the community members and stakeholder participants in the assessment process. This model which utilizes a Collective Impact framework, consists of regularly scheduled convenings in which strategy and solution development is drafted and presented to the Steering Committee membership for review and input. The primary areas of focus for this initiative work include:
  - **Improved Access**  
Consideration of structural improvements to ensure services reach vulnerable or underserved community members through the inclusion of expanded mobile service access, increased telehealth capacity and expanded provider network opportunities as



a means of expanding access. Strategy development includes increasing awareness of available support services with the goal of removing barriers to access which include stigma reduction and the need to communicate in a culturally competent manner with our community members through a network of trusted messengers.

- Workforce Development

Strategy development is focused on the ability to increase opportunities for new practitioners entering the field and choosing to stay and work in the Coachella Valley. Improvement to workplace retention processes, professional development pathways for this community, while improving the ability for in-process future practitioners who are still in school or recently graduated to gain the necessary practical experience with organizations in the Coachella Valley which will also assist with improving workforce levels.

- Policy Development Opportunities

Development in this area is focused on current and potential legislation under consideration or enacted related to innovating behavioral health services and how they are experienced by consumers. This includes State level intentional focus on children's mental health, juvenile justice support and the overhaul of Medi-Cal and how it can be improved to make coverage more accessible. There is also an effort to ensure Peer Specialist/Community Health Worker roles are clarified and billable and the State mandate to restructure the 911 call system into the 988 call center network in an effort to make mental health suicide prevention and mental health crisis networks more responsive. This working group is closely monitoring this legislative session and identifies legislation that would benefit the areas of need identified in the DHCD Mental and Behavioral Health Needs Assessment and requests organization letters of support as needed to assist with passage.

- Community Stakeholder Outreach

The information gained through our ongoing outreach to our law enforcement and education partners and participation in State and County convenings focused on improving community members mental health service experiences while expanding the available workforce are helpful and will inform the identification of potential RFP development opportunities.

- **Community Health Needs Assessment (CHNA)**

In 2020, the DHCD commissioned the Community Health Needs Assessment (CHNA) in an effort to better understand the needs of residents as it relates to the social determinants of health, uplift inequities and aid in the development of a comprehensive, and cross-sector approach to advance the health and well-being of District residents. This information assisted with the identification of Strategic Goal #2 (Proactively expand community access to primary and specialty care services) as a high priority area of focus for support implementation.

- **Strategic Plan Goal #3: Proactively expand community access to behavioral/mental health services**

Strategies identified as High Priority:

- 3.1 Provide funding to support an increase in the number of behavioral/mental health professionals (includes training)
  - 3.2 Provide funding to CBOs to support an increase in the number of days and hours of operation of behavioral /mental health services
  - 3.3 Provide funding to CBOs enabling an increase in the number and geographic dispersion of sites providing behavioral/mental health services (consider co-location with other health services)
  - 3.4 Provide funding support to CBOs providing tele-behavioral/mental health services
- Fiscal impact: \$2,000,000 to be added to the Behavioral Health Initiative allocation in the form of a grant amendment #965 (cost extension) from the District to the Foundation.
  - At the June 14, 2022 Strategic Planning Committee Meeting and Program Committee Meeting these Committees recommended forwarding the request for consideration of approval by the full Board.

# DESERT HEALTHCARE FOUNDATION GRANT AGREEMENT

#965 Desert Healthcare Foundation

## ADDENDUM #1

This Grant Agreement ("Agreement") was entered into on April 26, 2018 by and between Desert Healthcare District ("District"), a California health care district organized and operating pursuant to Health and Safety Code section 32000 et seq., and Desert Healthcare Foundation ("Recipient"), a California nonprofit public benefit corporation, as follows:

### R-E-C-I-T-A-L-S

1. This Addendum extends the termination date in Section 2 to June 30, 2025.
2. This Addendum revises the grant award amount up to \$4,000,000 (from \$2,000,000).
3. All other terms and conditions of the original grant agreement remain unchanged.

"District":

Desert Healthcare District

By: \_\_\_\_\_

Conrado Bárzaga, MD  
Chief Executive Officer

"Foundation":

Desert Healthcare Foundation

By: \_\_\_\_\_

Karen Borja  
President / Chair

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## DESERT HEALTHCARE DISTRICT GRANT AGREEMENT

This agreement is entered into by the Desert Healthcare District ("DISTRICT"), a California health care district organized and operating pursuant to Health and Safety Code section 32000 et seq., and Desert Healthcare Foundation ("RECIPIENT") and is effective upon execution by both parties.

1. Grant

Purpose and Use of Grant: To fund and establish a Behavioral Health Initiative Collective Fund

Amount: \$2,000,000.00

2. Term of Agreement

The term of this agreement is from May 1, 2018 through April 30, 2019, subject, however, to earlier termination as provided in this agreement.

3. Legal Responsibility/Liability

In authorizing execution of this agreement, the governing body of RECIPIENT accepts legal responsibility to ensure that the funds provided by DISTRICT are allocated solely for the purpose for which the grant was intended. RECIPIENT agrees to be knowledgeable of the requirements of this agreement and to be responsible for compliance with its terms. In no event shall DISTRICT be legally responsible or liable for RECIPIENT's performance or failure to perform under the terms of the grant or this agreement.

RECIPIENT agrees that DISTRICT may review, audit, and/or inspect DISTRICT-funded program operated by RECIPIENT under this agreement for compliance with the terms of this agreement.

4. Reduction/Reimbursement of Awarded Funds

DISTRICT may reduce, suspend, or terminate the payment or amount of the grant if the District determines in its sole discretion that RECIPIENT is not using the grant for the intended purposes or meeting the objectives of the grant. RECIPIENT hereby expressly waives any and all claims against DISTRICT for damages that may arise from the termination, suspension, or reduction of the grant funds provided by DISTRICT.

DISTRICT  RECIPIENT 

RECIPIENT further agrees to reimburse any funds received from DISTRICT, where the DISTRICT determines that grant funds have not been utilized by RECIPIENT for their intended purpose.

5. Other Funding Sources

If requested by DISTRICT, RECIPIENT shall make information available regarding other funding sources or collaborating agencies for the programs or services provided by RECIPIENT.

6. Attribution Policy

RECIPIENT agrees to comply with the DISTRICT'S attribution policy, which is attached to this agreement as Exhibit "A."

7. Payment Schedule

Unless RECIPIENT and DISTRICT agree upon alternative arrangements, grant funds shall be allocated and paid according to the schedule and requirements described on Exhibit "B." In the event RECIPIENT fails to provide report(s) and/or appropriate supporting documentation in a timely manner, RECIPIENT may be subject to a delay or discontinuance of funding, at DISTRICT'S sole discretion.

8. Program Budget

RECIPIENT shall also submit, prior to the DISTRICT entering into this agreement, a program budget, which shall be subject to review and approval of DISTRICT. A copy of RECIPIENT'S program budget shall be attached to this agreement as Exhibit "C."

9. Scope of Services/Recipient Activities

Prior to the DISTRICT entering into this agreement, RECIPIENT shall include in its application, subject to review and approval by the DISTRICT, details of the RECIPIENT'S scope of service(s), activities or program(s) proposed for funding.

10. Evaluation/Outcomes Reporting

Prior to the District entering into this agreement, RECIPIENT shall include in its application, subject to review and approval of the DISTRICT, details of its plan for evaluation and reporting.

DISTRICT  RECIPIENT 



RECIPIENT shall cooperate in efforts undertaken by DISTRICT to evaluate RECIPIENT'S effectiveness and use of the grant funds. RECIPIENT shall participate in and comply with all on-site evaluation and grant monitoring procedures including interviews with RECIPIENT'S staff by DISTRICT. RECIPIENT, at the request of the DISTRICT, shall also provide progress reports to DISTRICT according to the schedule contained on Exhibit "B" in a format to be provided by DISTRICT.

11. Use of Subcontractors

RECIPIENT may not subcontract any portion of the duties and obligations required by this agreement without the written consent of the DISTRICT. A copy of the proposed subcontract between RECIPIENT and the subcontractor shall be provided to DISTRICT for review. In the event DISTRICT consents to subcontract, the subcontractor shall be required to execute an agreement assuming all rights and obligations of this agreement, including the DISTRICT'S right to inspect the subcontractor's books and records and the right to monitor and evaluate the effectiveness of the use of the grant funds. Notwithstanding the forgoing, RECIPIENT shall remain primarily responsible for compliance with all terms and conditions of this agreement.

12. Use of Funds

The funds received pursuant to this agreement may not be used by RECIPIENT for general operating expenses or any other programs or services provided by RECIPIENT without the written consent of DISTRICT.

Upon request, RECIPIENT shall make available for the DISTRICT and members of the public, a detailed description of the program(s) and/or service(s) funded by DISTRICT. This program description may be a separate document or may be incorporated into the overall program materials developed by the RECIPIENT.

13. Prevailing Wages

If the funds received are used to pay for any portion of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws (Labor Code sections 1720 et seq. and 1770 et seq.), and if the project cost is \$1,000 or more, RECIPIENT agrees to fully comply with such Prevailing Wage Laws, if applicable. RECIPIENT shall require any contractor or subcontractor performing work on an applicable "public works" or "maintenance" project to fully comply with all Prevailing Wage Laws, including but not limited to the payment of prevailing wages, registration with DIR, and maintenance of certified payroll records."

DISTRICT W RECIPIENT 12

14. Independent Contractor Status

The relationship between DISTRICT and RECIPIENT, and the agents, employees, and subcontractors of RECIPIENT in the performance of this agreement, shall be one of independent contractors, and no agent, employee, or subcontractor of RECIPIENT shall be deemed to be an officer, employee, or agent of DISTRICT.

15. Use of Funds for Lobbying or Political Purposes

RECIPIENT is prohibited from using funds provided by DISTRICT herein for any political campaign or to support attempts to influence legislation by any governmental body.

16. Compliance with Applicable Law and Regulations

RECIPIENT shall comply with all federal, state, and local laws and regulations, including but not limited to labor laws, occupational and general safety laws, and licensing laws. All licenses, permits, notices, and certificates as are required to be maintained by RECIPIENT shall be in effect throughout the term of this agreement.

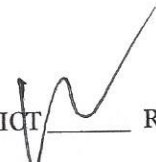
Where medical records, and/or client records are generated under this agreement, RECIPIENT shall safeguard the confidentiality of the records in accordance with all state and federal laws, including the provisions of the Health Insurance Accountability and Portability Act of 1996 (HIPAA), and the laws and regulations promulgated subsequent thereto.

RECIPIENT shall notify DISTRICT in writing within 5 (five) days if any required licenses or permits are canceled, suspended, or otherwise terminated, or if RECIPIENT becomes a party to any litigation or investigation by a regulatory agency that may interfere with the ability of RECIPIENT to perform its duties under this agreement.

17. Changes or Modifications to the Use of DISTRICT Grant Funds

RECIPIENT shall submit to DISTRICT, in writing, any requests for proposed changes in the use of DISTRICT grant funds. DISTRICT must receive such requests at least thirty (30) days prior to the date the proposed changes are to be implemented and the proposed changes shall be subject to DISTRICT Board approval.

Notwithstanding the foregoing, requests for transfers between budget categories or line items less than ten percent (10%) of the total grant amount that do not change the total grant amount or generate additional line items may be directed to the DISTRICT's Program Department for consideration.

DISTRICT  RECIPIENT LT



18. No-Cost Grant Extensions

Any request by the RECIPIENT to extend a grant's project period without additional funding from the DISTRICT will be processed pursuant to the DISTRICT's No-Cost Grant Extension Policy. Any no-cost grant extension request shall be subject to DISTRICT Board approval.

19. Conflict of Interest/Self Dealing

RECIPIENT and RECIPIENT'S officers and employees shall not have a financial interest or acquire any financial interest, direct or indirect, in any business entity or source of income that could be financially affected by, or otherwise conflict in any manner or degree with, the performance of programs or services required under this agreement.

20. Indemnity and Hold Harmless

RECIPIENT agrees to indemnify, defend, and hold harmless DISTRICT and its officers, agents, employees, volunteers, and servants from any and all claims and losses accruing or resulting to any and all employees, contractors, subcontractors, laborers, volunteers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this agreement and from any and all claims and losses of any kind accruing or resulting to any person, firm, or corporation arising out of, or in any way connected with or as a result of, the performance or execution of this agreement, the consummation of the transactions contemplated hereby, or in the expenditure of grant funds provided by DISTRICT.

21. Fiscal/Accounting Principles

RECIPIENT shall maintain an accounting system that accurately reflects and documents all fiscal transactions for which grant funds are used. The accounting system must conform to generally accepted accounting principles and upon request, DISTRICT shall have the right to review, inspect and copy all books and records related to the accounting system.

22. Documentation of Revenues and Expenses

RECIPIENT shall maintain full and complete documentation of all revenue and expenses (including subcontracted, overhead, and indirect expenses) associated with use of the grant funds covered by this agreement. During the term of this agreement and thereafter, DISTRICT or its authorized representative(s) shall have the right to review all RECIPIENT financial records including records related to the use or disbursement of the grant funds, upon request by DISTRICT. DISTRICT shall also have the right to audit, if necessary, RECIPIENT'S use of grant funds and any and all programs or services that were provided through the use of the DISTRICT funds. In the event of an audit or financial review,

DISTRICT

RECIPIENT



RECIPIENT agrees to provide DISTRICT access to all of RECIPIENT'S books and records.

23. Records Retention

All records of RECIPIENT pertaining to the use of grant funds shall be maintained at RECIPIENT'S main local office for at least five (5) years following the year in which grant funds were first provided by DISTRICT.

24. Governing Law

This agreement shall be governed by and construed in accordance with the laws of the State of California.

25. Assignment or Transfer

RECIPIENT may not assign or transfer any interest in this agreement or entitlement to grant funds without the written consent of District.

26. Entire Agreement, Amendment

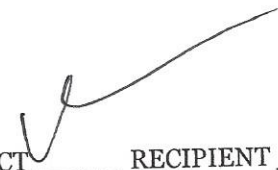

This agreement contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements not contained herein. This agreement may only be amended or modified by a writing signed by both parties.

27. Notices

Any notice required or permitted pursuant to this agreement may be given by a party to the other party at the address set forth in the signature block of this agreement. Either party may change its address for purposes of notice by complying with the requirements of this section.

28. Signatories

The persons executing this agreement on behalf of the RECIPIENT have been designated by the governing body or fiscal agent of the RECIPIENT as the official signatories of this agreement and all related documents. At least one of these persons is a member of the RECIPIENT'S governing board, and both persons have the authority to execute this agreement on behalf of RECIPIENT.

DISTRICT  RECIPIENT 

**RECIPIENT:**

Desert Healthcare Foundation  
1140 N. Indian Canyon  
Palm Springs, CA 92262

**Name:** President/Chair of RECIPIENT  
Governing Body

LES ZENDLE MD

PLEASE PRINT

*Les Zendle*

SIGNATURE

4-26-18

DATE

**Name:** Executive Director

\_\_\_\_\_  
PLEASE PRINT

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

DISTRICT ✓ RECIPIENT 62

Authorized Signatory for Desert Healthcare District:

Name: Herb K. Schultz

Title: Chief Executive Officer

SIGNATURE

DATE

Desert Healthcare District  
1140 N. Indian Canyon Dr.  
Palm Springs, CA 92262

DISTRICT

RECIPIENT

LZ

EXHIBIT A

DESERT HEALTHCARE DISTRICT ATTRIBUTION POLICY

1. **Attribution Wording**

Attribution for District-funded programs shall be as follows:

"Made possible by funding from Desert Healthcare District" / "Echo posible por medio de fondos de Desert Healthcare District" or "Funded by Desert Healthcare District" / "Fondado por Desert Healthcare District"

2. **Educational Materials**

Educational materials are items such as brochures, workbooks, posters, videos, curricula, or games. Materials (in print or electronic formats) produced and distributed for Desert Healthcare District-funded programs shall include the approved wording.

3. **Promotional Materials**

District attribution shall be included on promotional items such as flyers, banners and other types of signage. However, acknowledgement may be omitted when space limitation is an issue (e.g., buttons, pencils, pens, etc.)

4. **Media Materials and Activities**

Attribution to the District shall be included in any information distributed to the media for the purpose of publicizing a District-funded program. This information may include news releases and advisories, public service announcements (PSAs), television and radio advertisements, and calendar/event listings.

Media and publicity activities, such as news conferences, story pitching, press interviews, editorial board meetings and promotional events shall include reference to the District's program support. As a courtesy, the District would appreciate notification of these activities at least two (2) weeks in advance, whenever possible. Please send to the District copies of any press coverage of District-funded programs.

5. **Logo Usage**

Use of the Desert Healthcare District logo is permitted and encouraged. Logos can be provided in print and electronic formats. Logos will be provided by DISTRICT upon initial grant funding and at RECIPIENT's request thereafter. Graphic standards for logos shall be adhered to as provided by DISTRICT. Requests for logo should be directed to the Program Department of Desert Healthcare District.

6. **Photograph Consent**

RECIPIENT shall permit photographs of District-funded program to be taken by District-designated photographer at District expense, and consents to usage of such photographs on District Web site and other materials designed to inform and educate the public about District.

DISTRICT  RECIPIENT L2

EXHIBIT B

DISTRICT                      RECIPIENT LA

EXHIBIT C

PROGRAM BUDGET ATTACHED AS SUPPLEMENTAL PAGE(S)

DISTRICT  RECIPIENT L7



Date: June 28, 2022  
To: Board of Directors  
Subject: November 2022 Notice of General District Election Form

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**Staff Recommendation:** Consideration to approve the Notice of General District Election Form

**Background:**

- In preparation for the November 2022 General Election, staff will participate in the upcoming Riverside County Registrar of Voters candidate filing seminar to coordinate procedures for conducting the election and obtain information on new legislation impacting district elections.
- Directors' terms expiring this year are President Karen Borja (Zone 6), Vice-President PerezGil (Zone 4), and Director Carole Rogers (Zone 2).
- Between July 11 - August 10, the Registrar of Voters will publish a Notice of Election in the Desert Sun that includes the date of the district election, the location to obtain the official Declarations of Candidacy for eligible candidates desiring to file, and the cutoff date and time for accepting Declaration of Candidacy for filing.
- The estimated cost of the Candidate Statement for each Zone is \$700, and the responsibility of the individual candidate.
- The Notice of General District Election Form outlining these guidelines is due by July 6, 2022, and requires Board approval.

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**REBECCA SPENCER**  
Registrar of Voters



**ART TINOCO**  
Assistant Registrar of Voters

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**REGISTRAR OF VOTERS**  
**COUNTY OF RIVERSIDE**


June 17, 2022

Andrea S. Hayles  
Desert Healthcare District  
1140 N. Indian Canyon Dr  
Palm Springs, CA 92262

Dear Ms. Hayles:

In preparation for your upcoming November 8, 2022, General District Election, we are providing the following information:

 **Candidate Filing Seminar:** Please plan to attend a virtual candidate filing seminar on **June 30, 2022, at 2:00 p.m. via Zoom**. In this seminar, we will coordinate the procedures involved in conducting the election, discuss new legislation that impacts general district elections and answer any questions.

 **Estimated Candidate Statement Costs:** The estimated candidate statement costs for your jurisdiction are as follows: Zone 2 \$700, Zone 4 \$700, Zone 6 \$700

Please note that this is only an estimate. Candidates may receive a bill or refund for the difference depending on how many candidates actually file a candidate statement. The electronic distribution of a candidate statement cost is \$260.

You must adopt regulations regarding the payment of the costs of candidate statements.

 **Enclosed forms:**

Election Calendar – For your review.

Notice of General District Election Form – Complete and return this form to us as soon as it is approved at your board meeting. This form and a map of your district showing the current boundaries must be filed in our office by **July 6, 2022**.

If you have any questions, please feel free to call Leticia Flores at (951) 486-7212 or Matthew Ceballos at (951) 486-7318.

Sincerely,

**REBECCA SPENCER**  
Registrar of Voters

---

Matthew Ceballos  
Chief Deputy Registrar of Voters

Enclosures



**NOTICE TO THE REGISTRAR OF VOTERS  
(ELECTIONS CODE §§ 10509, 10522; W.C. § 71451)  
GENERAL DISTRICT ELECTION, NOVEMBER 8, 2022**

**DISTRICT:** \_\_\_\_\_ **PHONE:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_ **FAX:** \_\_\_\_\_

**MAILING ADDRESS:** \_\_\_\_\_ **E-MAIL:** \_\_\_\_\_

**LIST NAMES OF DISTRICT DIRECTORS WHOSE TERMS EXPIRE ON DECEMBER 2, 2022**

NAME OF DIRECTOR	DIVISION NUMBER (IF APPLICABLE)

The following section applies only if a Director(s) was/were appointed to fill a vacancy in an office, which is not normally scheduled to be voted on this year (Short term).

NAME	DIVISION (If applicable)	DATE APPOINTED	DIRECTOR REPLACED

**STATEMENT OF ECONOMIC INTERESTS:** The Government Code now requires all candidates to file a Form 700 with the Registrar of Voters by the nomination period deadline. If the candidate has previously filed an initial, assuming office, or annual statement for the same office sought within 60 days before the nomination deadline then the candidate does not have to file the Form 700 again.

**CANDIDATE'S STATEMENT:** Who is to pay the cost of the printing and handling of statement?  
Please check appropriate box. **CANDIDATE** ☐ **DISTRICT** ☐

**NOTICE OF ELECTION** published by Registrar of Voters in \_\_\_\_\_  
(Insert name of Local Newspaper)

**CANDIDATES** may obtain nomination documents from the Registrar of Voters, 2720 Gateway Drive, Riverside, CA 92507, or from the District Secretary located at:

\_\_\_\_\_  
(Insert Location Name, Address, and Business Hours)

**DISTRICT MAP:** Attach 34" x 42" map showing district boundaries and divisions, if applicable.

**Enclosed Map Contains Boundary/Division Changes** YES ☐ NO ☐

I certify that the enclosed map of the district boundaries and divisions is true and correct as of this date, and is submitted in compliance with Section 10522 of the California Elections Code for use in the General District Election to be held on November 8, 2022, or that there have been no changes to the boundaries as of the last General District Election.

**Dated:** \_\_\_\_\_ **Contact Person:** \_\_\_\_\_

**Sign:** \_\_\_\_\_  
(District Secretary)

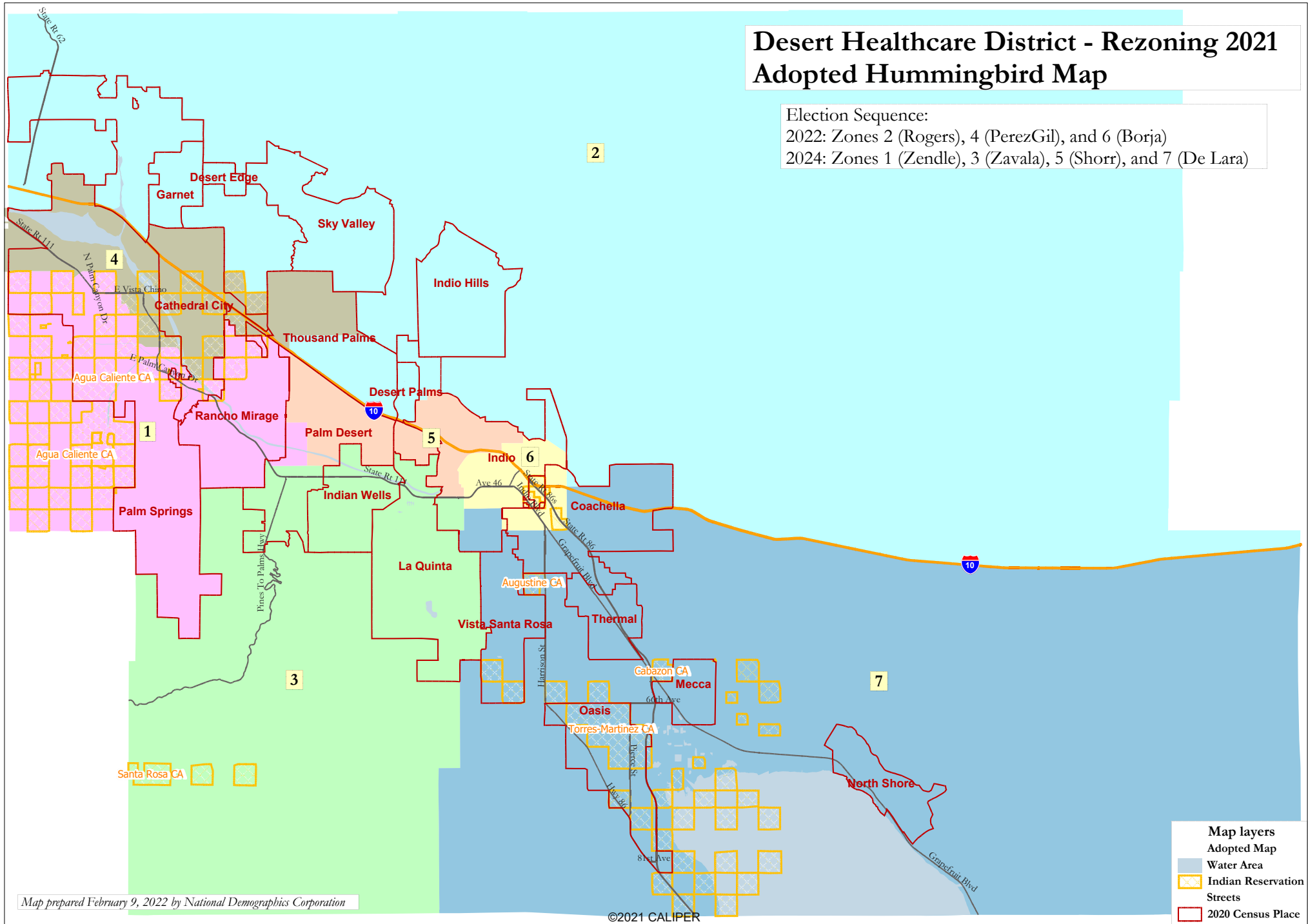
(DISTRICT SEAL)

# Desert Healthcare District - Rezoning 2021 Adopted Hummingbird Map

Election Sequence:

2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)

2024: Zones 1 (Zendle), 3 (Zavala), 5 (Shorr), and 7 (De Lara)



Map prepared February 9, 2022 by National Demographics Corporation

©2021 CALIPER

Map layers

Adopted Map

Water Area

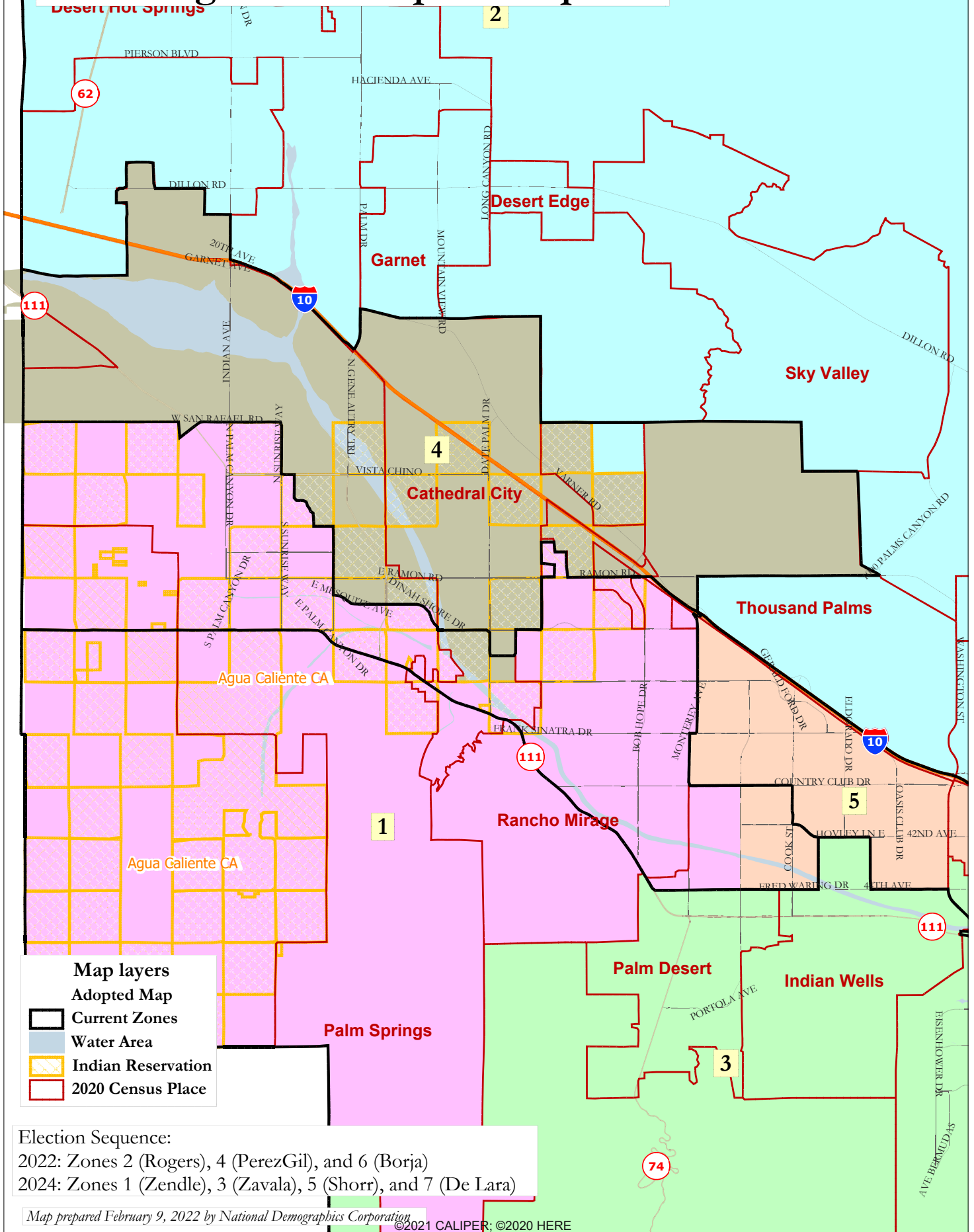
Indian Reservation

Streets

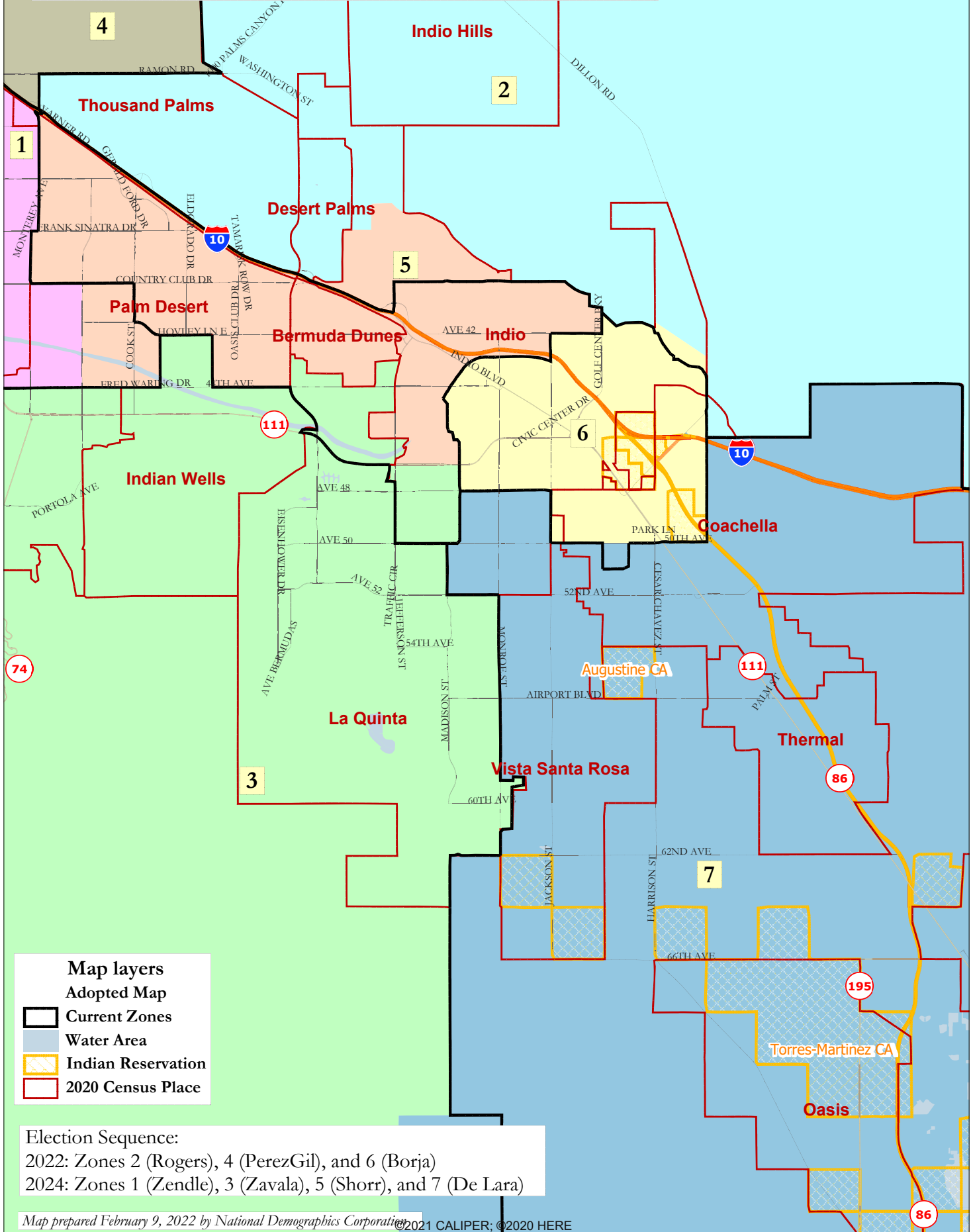
2020 Census Place

# Desert Healthcare District (West)

## Rezoning 2022 - Adopted Map



# Desert Healthcare District (East) Rezoning 2022 - Adopted Map




**UNIFORM DISTRICT ELECTION LAW ELECTION**  
**NOVEMBER 8, 2022**  
**(E.C. §§ 9300 et seq., 10500 et seq.)**

The materials contained in this calendar represent the research and opinions of the staff at the Riverside County Registrar of Voters. The contents of this calendar and any legal interpretations contained herein are not to be relied upon as being correct either factually or as a legal opinion. Reliance on the content without prior submission to and approval of your appropriate public counsel is at the reader's risk.

Please call (951) 486-7200 if you have any questions or comments or visit our website at [www.voteinfo.net](http://www.voteinfo.net). Thank you.


DATE	PERSON RESPONSIBLE	DESCRIPTION
July 4	Registrar of Voters	<i>INDEPENDENCE DAY (CO. ORD. 358.8)</i> The Registrar of Voters office will be closed.
July 6 (125)	District	<i>BOUNDARY CHANGES (E.C. § 12262)</i> Last-day boundary changes may be made for this election.
July 6 (125)	District	<i>DELIVER NOTICE OF ELECTION AND MAP OF DISTRICT (E.C. §§ 10502, 10504, 10509, 10522)</i> No later than this date the District Secretary shall deliver a notice containing the elective offices to be filled and whether the district or candidate is to pay for the Candidate's Statement. Said notice shall bear the secretary's signature and the district seal. The District Secretary shall also deliver a map showing the current boundaries of the district and divisions, if any.
July 11 – August 10 (120 – 90)	Registrar of Voters / District Secretary	<i>PUBLISH NOTICE OF ELECTION (E.C. §§ 12112, 12113)</i> Between these dates, the Registrar of Voters shall publish a Notice of Election in a newspaper of general circulation in the district. The notice shall contain the date of the general district election, name the offices for which candidates may file, and state the qualifications required by the principal act for each office. The notice shall state the location where official Declarations of Candidacy for eligible candidates desiring to file for any of the elective offices may be obtained, the office in which completed Declarations of Candidacy are required to be filed, and the date and time after which no Declarations of Candidacy may be accepted for filing. The notice shall also contain a statement that appointment to office will be made pursuant to E.C. 10515 if there are insufficient nominees and no petition has been filed requesting the election be held. A copy of the notice shall be delivered to the district secretary and shall be posted in the district office.  <i>GENERAL PRESS RELEASE (E.C. § 12112)</i> The press release must include offices to be filled and a telephone number for information regarding filing for the elective office.
July 15 (116)	Registrar of Voters	<i>PRECINCTING SECTION TO COMPLETE BOUNDARY CHANGES</i> No later than this date, the precinct section must complete boundary changes.

**UNIFORM DISTRICT ELECTION LAW ELECTION**  
**NOVEMBER 8, 2022**  
**(E.C. §§ 9300 et seq., 10500 et seq.)**




DATE	PERSON RESPONSIBLE	DESCRIPTION
July 18 – August 12 (113 – 88)	Candidates / Registrar of Voters / District Secretary	<p><i>NOMINATION PERIOD (E.C. §§ 10510, 13107 10540, 13307, 13309, 13311, 18351)</i></p> <p>Between these dates a candidate may obtain and file a Declaration of Candidacy with the Registrar of Voters in person, or by mail. If by mail, the Declaration of Candidacy may be returned by certified mail in time to reach the Registrar of Voters by no later than 5 p.m. on the filing deadline date. The Ballot Designation Worksheet must be filed at the same time as the Declaration of Candidacy. Candidates who want to file a Candidate Statement must file it at the same time the Declaration of Candidacy is filed. Candidate Statements are confidential until the deadline for filing has passed. No person shall file nomination documents for more than one district office at the same time.</p> <p>Either the Registrar of Voters or the District Secretary will issue the Declaration of Candidacy.</p> <p>No candidate shall withdraw his or her Declaration of Candidacy after 5 p.m. on the 88<sup>th</sup> day before the election.</p>
July 18 – August 12 (113 – 88)	Candidates / Registrar of Voters / District Secretary	<p><i>CODE OF FAIR CAMPAIGN PRACTICES (E.C. § 20400 et seq.)</i></p> <p>At the time a candidate is issued nomination papers each candidate will be issued a Code of Fair Campaign Practices. Filing it is voluntary and it may be filed with the Registrar of Voters any time before the election. It is available for public inspection until 30 days after the election.</p>
July 18 – August 12 (113 – 88)	Candidates / Registrar of Voters	<p><i>STATEMENT OF ECONOMIC INTEREST (G.C. §§ 87200 et seq.)</i></p> <p>A Statement of Economic Interests must be filed for all candidates with the Registrar of Voters by the close of the nomination period.</p>
August 12 (88)	Candidates / Registrar of Voters	<p><i>FILE DECLARATION OF CANDIDACY AND / OR WITHDRAW (E.C. §§ 10510, 13307)</i></p> <p>The last day for candidates to file their Declarations of Candidacy and Candidate Statements with the Registrar of Voters. (Candidate Statement is optional). This is also the last day to withdraw your candidacy. The candidate must withdraw before 5 p.m. unless there is an extension of the nomination period.</p> <p> <i>PUBLIC EXAM PERIOD (E.C. § 13313)</i>  The 10-day exam period for Candidate Statements will be held from August 13 through August 22. If an extension applies, see the extension period.</p>
August 12 (88)	District	<p><i>BALLOT MEASURE (E.C. §§ 9312, 10403, 13247)</i></p> <p>Last day for a resolution calling for a measure to be submitted to the Registrar of Voters. A copy shall be made available to any voter. The statement of all measures submitted to the voters shall be abbreviated on the ballot. The statement shall contain no more than 75 words for each measure to be voted on.</p>



**UNIFORM DISTRICT ELECTION LAW ELECTION**  
**NOVEMBER 8, 2022**  
**(E.C. §§ 9300 et seq., 10500 et seq.)**




DATE	PERSON RESPONSIBLE	DESCRIPTION
August 12 (88)	Registrar of Voters	<p><i>PUBLISH NOTICE OF ELECTION (E.C. § 12111; G.C. §§ 6060, 6061)</i></p> <p>Publish a notice of election as soon as possible pursuant to section 12111 of the California Elections Code. A synopsis of the measure(s) shall be included in the publication. Government Code 6061 requires the notice to be published once. The last day to submit arguments to the Registrar of Voters should also be included in the notice. A copy of the notice shall be delivered to the district and posted in the district office.</p>
August 15 (85)	Candidates / Registrar of Voters	<p><i>LAST DAY TO WITHDRAW CANDIDATE STATEMENT (E.C. § 13307)</i></p> <p>The last day to withdraw candidate statements unless there is an extension of the nomination period. Withdrawal of candidate statements must be in writing</p>
August 17 (83)	Candidates / Registrar of Voters / District	<p><i>EXTENSION OF NOMINATION PERIOD (E.C. § 10516)</i></p> <p>If the incumbent does not file by 5 p.m. on the last day of the nomination period, any eligible person, other than the incumbent, shall have until 5 p.m. of the 83<sup>rd</sup> day before the election to file a Declaration of Candidacy. The nomination extension is not applicable where there is no incumbent to be elected. If this section is applicable, a candidate may withdraw his or her Declaration of Candidacy up until 5:00 p.m. on the 83<sup>rd</sup> day before the election.</p> <p> <i>PUBLIC EXAM PERIOD (E.C. § 13313)</i>  The 10-day exam period for Candidate Statements will be held from August 18 through August 27.</p>
August 17 (83)	District	<p><i>LAST DAY TO WITHDRAW MEASURE (E.C. § 9605)</i></p> <p>Whenever a legislative body has ordered that a measure be submitted to the voters of any jurisdiction at an election, the order of election shall not be amended or withdrawn after this date.</p>
August 17 (83)	Registrar of Voters / District Secretary	<p><i>INSUFFICIENT NOMINEES-POSSIBLE APPOINTMENT (E.C. § 10515)</i></p> <p>If there are insufficient nominees for the offices to be filled, and a petition requesting the election be held has not been presented to the officer conducting the election, then the election shall not be held.</p> <p>The Registrar of Voters shall request the Board of Supervisors to appoint the qualified candidate(s) to such office. If there are no candidates, the Board shall appoint a qualified person to each office. Persons appointed shall qualify, take office, and serve as if elected.</p>
August 18 (82)	Candidates / Registrar of Voters	<p><i>WITHDRAW CANDIDATE STATEMENT (EXTENSION) (E.C. §§ 10516, 13307)</i></p> <p>In the event there is an extension of the nomination period, candidates may have until this date to withdraw their candidate's statement. Withdrawal must be in writing.</p>

**UNIFORM DISTRICT ELECTION LAW ELECTION**  
**NOVEMBER 8, 2022**  
**(E.C. §§ 9300 et seq., 10500 et seq.)**

DATE	PERSON RESPONSIBLE	DESCRIPTION
August 18 (82)	Secretary of State	<i>RANDOMIZED ALPHABET (E.C. § 13112)</i>  On this date, the Secretary of State shall conduct a drawing of the alphabet for determining the order of candidate's names on the ballot.
August 18 (82)	Registrar of Voters	<i>SEND LIST OF CANDIDATES TO DISTRICT SECRETARY</i>  Approximate date to send a list of qualified candidates to District Secretary and other county if it is involved. If an election is not held, inform the district of the procedures that will be followed.
August 22 (78)	Registrar of Voters	<i>REQUEST BOARD OF SUPERVISORS TO APPOINT (if the election will not be held) (E.C. § 10515)</i>  Registrar of Voters shall request the Board of Supervisors at a regular or special meeting held before the Monday before the first Friday in December in which the election would have been held, to appoint to such office or offices the qualified candidate(s); or if no candidate(s), the Board shall appoint any qualified person to such office.
August 22 (78)	County Counsel	<i>LAST DAY TO SUBMIT IMPARTIAL ANALYSIS (E.C. §§ 9313, 9314)</i>  The last day for County Counsel to submit the impartial analysis to the Registrar of Voters. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the district. The analysis shall be printed in the Voter Information Guide section of the Sample Ballot preceding the arguments for or against the measure. The analysis is limited to 500 words.   <i>PUBLIC EXAM PERIOD (E.C. § 9380)</i> There will be a 10-day exam period for the Impartial Analysis from August 23 through September 1.
August 22 (78)	Proponents / Opponents	<i>LAST DAY TO FILE ARGUMENTS (E.C. §§ 9315, 9316, 9600)</i>  Last day set by the Registrar of Voters to submit arguments in favor or against the measure. Arguments may not exceed 300 words. No more than five signatures shall appear with any arguments. Authors of Argument form shall accompany all arguments.   <i>PUBLIC EXAM PERIOD (E.C. § 9380)</i> There will be a 10-day exam period for arguments from August 23 through September 1.
September 1 (68)	Proponents / Opponents	<i>REBUTTALS (E.C. §§ 9317, 9600)</i>  Last day for the same authors of the primary argument to file rebuttals with the Registrar of Voters no later than 5:00 p.m. Rebuttals are limited to 250 words. Statement of Authors of Arguments form must be attached to the rebuttal.   <i>PUBLIC EXAM PERIOD (E.C. § 9380)</i> There will be a 10-day exam period for Rebuttals from September 2 through September 11.




**UNIFORM DISTRICT ELECTION LAW ELECTION**  
**NOVEMBER 8, 2022**  
**(E.C. §§ 9300 et seq., 10500 et seq.)**

DATE	PERSON RESPONSIBLE	DESCRIPTION
September 5	Registrar of Voters	<i>LABOR DAY (CO. ORD. 358.8)</i> The Registrar of Voters office will be closed.
September 12 (57)	Candidates / Registrar of Voters	<i>FIRST DAY NOMINATION PAPERS FOR WRITE-IN CANDIDACY WILL BE AVAILABLE (E.C. § 8600 et seq.)</i> Any qualifying person wishing to file as a write-in candidate may pick up nomination papers beginning on this date. Papers must be filed with the Registrar of Voters no later than 14 days before Election Day. Write-in candidates must also file Statement of Economic Interest (if applicable) and campaign disclosure statements.
September 13 (56)	Registrar of Voters	<i>ORDER PRINTING OF ELECTION MATERIAL</i> Suggested date to prepare copy for printer and order ballots.
September 25 – September 29 (44 – 40)	Candidates / Committees / Registrar of Voters	<i>FILING PERIOD FOR FIRST PRE-ELECTION CAMPAIGN DISCLOSURE STATEMENT (G.C. §§ 84200.5, 84200.8)</i> The filing period for 1 <sup>st</sup> pre-election campaign statement covers transactions through September 24. Statements must be filed online or sent by personal delivery or first-class mail.
September 26 (43)	Registrar of Voters	<i>SATELLITE LOCATION PRESS RELEASE (E.C. § 3018)</i> Notice of satellite locations shall be made by the elections official by the issuance of a general news release, issued not later than 14 days before voting at the satellite location, except that in a county with a declared emergency or disaster, notice shall be made not later than 48 hours before voting at the satellite location. The news release shall set forth the following information: <ul style="list-style-type: none"> <li> The satellite location or locations.</li> <li> The dates and hours the satellite location or locations will be open.</li> <li> A telephone number that voters may use to obtain information regarding vote-by-mail ballots and the satellite locations.</li> </ul>
September 29 – October 29 (40 – 10)	Registrar of Voters	<i>MAIL COUNTY VOTER INFORMATION GUIDES AND OTHER ELECTION MATERIAL TO VOTERS (E.C. §§ 9312, 10540, 13303, 13307)</i> Between these dates, the Registrar of Voters shall mail a County Voter Information Guide to each voter, who is registered at least 29 days before the election.
October 10	Registrar of Voters	<i>COLUMBUS DAY (CO. ORD. 358.8)</i> The Registrar of Voters office will be closed.

**UNIFORM DISTRICT ELECTION LAW ELECTION**  
**NOVEMBER 8, 2022**  
**(E.C. §§ 9300 et seq., 10500 et seq.)**

DATE	PERSON RESPONSIBLE	DESCRIPTION
October 10 (29)	Registrar of Voters	<i>MAILED BALLOT PRECINCTS (E.C. §§ 3005, 3010, 3017, 3018, 3020, 4000 et seq.)</i>  Approximate date to mail notices to voters in mailed ballot precincts, and send official ballot and election material. Mail ballot precincts have less than 250 voters. Ballots must be postmarked on or before Election Day and received by the elections official within seven days after Election Day to be counted.
October 10 (29)	Registrar of Voters	<i>PRECINCTS, VOTE CENTERS &amp; ELECTION OFFICERS (E.C. §§ 12280 et seq., 12300 et seq.)</i>  The last day for the Registrar of Voters to establish vote center locations and appoint election officers for this election. Immediately after the following appointment, the Registrar shall mail appointment notices to election officers.
October 10 – October 29 (29 – 10)	Registrar of Voters	<i>PUBLISH VOTE CENTERS &amp; CENTRAL COUNTING PLACE (E.C. §§ 12105, 12109)</i>  Suggested date to publish vote center locations. The notice will include the hours that the vote centers will be open and a Notice of Central Counting Place.
October 10 – November 1 (29 – 7)	Registrar of Voters	<i>VOTE-BY-MAIL BALLOT APPLICATIONS (E.C. §§ 3001, 3006, 3021, 3200)</i>  Applications for vote-by-mail ballots may be made in person or by mail during this time frame.
October 16 (23)	Registrar of Voters	<i>VOTE-BY-MAIL PROCESSING PUBLIC NOTICE (E.C. § 15104)</i>  The elections official shall notify vote-by-mail voter observers and the public at least 48 hours in advance of the dates, times, and places where vote-by-mail ballots will be processed and counted.
October 18	Registrar of Voters	<i>PROCESS BALLOTS (E.C. § 15101 et. seq.)</i>  When ballots are to be counted by computer, the Registrar of Voters may begin processing ballots 15 business days before the election. No count may be made until 8:00 p.m. on Election Day.
October 23 – October 27 (16 – 12)	Candidates / Committees / Registrar of Voters	<i>FILING PERIOD FOR SECOND PRE-ELECTION CAMPAIGN DISCLOSURE STATEMENT (G.C. §§ 84200.5, 84200.8)</i>  The filing period for 2 <sup>nd</sup> pre-election campaign statement covers transactions through October 22. Statements must be filed online or sent by personal delivery or guaranteed overnight service.
October 24 (15)	Registrar of Voters	<i>COLLECTION CENTERS PUBLIC NOTICE (E.C. § 15260)</i>  In establishing a collection center, the elections official may designate a group of precincts which the center shall serve, and this designation shall be available for public inspection no later than 15 days before the election.
October 24 (15)	Registrar of Voters	<i>CLOSE OF REGISTRATION (E.C. §§ 2102, 2106)</i>  The last day to register or transfer registration for this election.

**UNIFORM DISTRICT ELECTION LAW ELECTION**  
**NOVEMBER 8, 2022**  
**(E.C. §§ 9300 et seq., 10500 et seq.)**

DATE	PERSON RESPONSIBLE	DESCRIPTION
October 25 (14)	Candidates / Registrar of Voters	<i>FILE DECLARATION OF WRITE-IN CANDIDACY (E.C. §§ 8600 et seq., 15340 et seq.)</i>  The last day for write-in candidates to submit their write-in nomination documents to the Registrar of Voters.
October 25 – November 1 (14 – 7)	Registrar of Voters	<i>POST-ELECTION OFFICERS &amp; POLLING PLACES (E.C. § 12105.5)</i>  Not less than one week before the election, the elections official shall post a list of all current polling places and a list of election officers appointed by the 15 <sup>th</sup> day before the election. The elections official shall post this list in his or her office and on his or her website. The list shall remain posted for 30 days after completion of the canvass.
November 1 (7)	Registrar of Voters	<i>LOGIC AND ACCURACY TESTING (E.C. § 15000)</i>  No later than seven days before any election, the elections official shall conduct a test or series of tests to ensure that every device used to tabulate ballots accurately records each vote.
November 4 (4)	Registrar of Voters	<i>MANUAL TALLY PUBLIC NOTICE (E.C. § 15360)</i>  The manual tally shall be a public process, with the official conducting the election providing at least a five-day public notice of the time and place of the manual tally and of the time and place of the selection of the precincts to be tallied before conducting the tally and selection.
November 8		<i>ELECTION DAY (E.C. § 3020, 4103)</i>  Voted ballots must be received by the elections official no later than the close of the polls on Election Day or be postmarked on or before Election Day and received no later than seven days after Election Day to be counted.
November 10 (+2)	Registrar of Voters	<i>CANVASS ELECTION RETURNS (E.C. § 15301 et seq.)</i>  Registrar of Voters shall commence the Official Canvass on this day.
November 10 – December 8 (+2 – 30)	Registrar of Voters	<i>ONE PERCENT MANUAL TALLY (E.C. § 15360)</i>  During the Official Canvass, the elections official shall conduct a public manual tally in 1 percent of the precincts chosen at random by the elections official.
November 11	Registrar of Voters	<i>VETERAN'S DAY (CO. ORD. 358.8)</i>  The Registrar of Voters office will be closed.
November 24 – November 25	Registrar of Voters	<i>THANKSGIVING DAY / DAY AFTER THANKSGIVING (CO. ORD. 358.8)</i>  The Registrar of Voters Office will be closed.
November 28 (+20)	Registrar of Voters	<i>SEND STATEMENT OF RESULTS (E.C. §§ 10550, 10551, 10553, 15372, 15374)</i>  As soon as the canvass is completed, no later than this date, the Registrar of Voters shall mail a statement of the results of the election to the district. The Registrar of Voters will also deliver to each person elected a certificate of election.

**UNIFORM DISTRICT ELECTION LAW ELECTION**  
**NOVEMBER 8, 2022**  
**(E.C. §§ 9300 et seq., 10500 et seq.)**

DATE	PERSON RESPONSIBLE	DESCRIPTION
December 2 (+24)	District	<i>OFFICERS TAKE OFFICE (E.C. § 10554)</i>  Elective officers, elected or appointed, take office at noon on the first Friday in December next following the general district election. Before taking office, each elective officer shall take the official oath and execute any bond required by the principal act.
December 8 (+30)	Registrar of Voters	<i>COST OF ELECTION</i>  Approximate date to send an invoice to jurisdiction for the cost of the election. Any refund on Candidate Statements will also be processed by this date.
January 1 – January 31	Candidates / Committees / Registrar of Voters	<i>FILING PERIOD FOR SEMI-ANNUAL CAMPAIGN DISCLOSURE STATEMENT (G.C. § 84200)</i>  The statement covers transactions through December 31. Statements must be sent by personal delivery or first-class mail.
<b><i>Note: Whenever a date prescribed by law falls on a weekend or holiday, such act may be performed on the next business day (E.C. 15; G.C. 6700, 6701)</i></b>		



**DESERT HEALTHCARE**  
DISTRICT & FOUNDATION

Date: June 28, 2022  
To: Board of Directors  
Subject: Consideration for the Desert Healthcare District to add Juneteenth as a paid holiday for District employees

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**Staff Recommendation:** Consideration for the Desert Healthcare District to add Juneteenth as a paid holiday for District employees.

**Background:**

- Juneteenth (June 19<sup>th</sup>) honors the end of slavery in the United States and is considered the longest-running Black holiday.
- On June 17, 2021, President Biden signed a bill to declare Juneteenth an official federal holiday.
- In recognition of the important holiday, staff recommends approval of adding Juneteenth to the District's Employee Handbook as an observed paid holiday.

**Fiscal Impact:**

None



Date: June 28, 2021

To: Board of Directors

Subject: Consideration to approve the CEO's appointment to the newly formed Inland Empire Health Plan (IEHP) Foundation Board of Directors

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**Staff Recommendation:** Consideration to approve the CEO's appointment to the newly formed Inland Empire Health Plan (IEHP) Foundation Board of Directors

**Background:**

- IEHP is a Local Initiative Health Plan formed through a Joint Powers Agreement between Riverside and San Bernardino counties in 1994.
- With more than 1,400,000 members, the Inland Empire Health Plan (IEHP) is the largest not-for-profit health plan in the Inland Empire, and the largest not-for-profit Medi-Medi (Medicare-Medicaid) plan in the nation.
- In March 2022, IEHP Board of Directors approved the formation of the IEHP Foundation. The Foundation will further the mission of IEHP and focus on two issues that are important to DHCD: Increasing Access to Healthcare and Improving the Quality of Healthcare.
- Currently IEHP has provided a seed gift \$50 million dollar. IEHP Board of Directors voted to have perpetual funding provided to the Foundation in the future based on the financial performance of IEHP. On an annual basis, IEHP will contribute up to 1% of its annual revenue, excluding DHCS directed payments to the IEHP Foundation. It is anticipated that over the next ten years the foundation will receive approximately \$300 million.
- IEHP CEO Jarrod McNaughton invited the Desert Healthcare District CEO, Dr. Conrado Bárzaga to join the IEHP Foundation's Founding Board of Directors.
- The invitation was formalized by the enclosed letter from IEHP's newly appointed CEO Angelica Baltazar.
- The CEO seeks Board authorization to join IEHP's Board.

**Fiscal Impact:**

None



June 6, 2022

Dr. Conrado Bárzaga  
Chief Executive Officer  
1140 N. Indian Canyon Dr.  
Palm Springs, CA 92262

Dear Dr. Bárzaga,

It is my honor to welcome you to the inaugural Board of Directors for the IEHP Foundation. This foundation is a first for our region and together we will work to invest in creative and innovative practices that improve the health and wellbeing of all our community members.

Our first board meeting is scheduled for the afternoon of Wednesday, July 27<sup>th</sup> and will be a combined board & planning meeting. Please reserve the afternoon as it will be a packed schedule including our meeting and tour of our new boardroom & foundation offices. More details to follow.

I am so happy you are joining us on this journey! Please feel free to reach out with any questions. My Executive Assistant, Ayla Reyes, expertly manages my schedule. Please communicate with her for any scheduling you might need. She may be reached at [reyes-a2@iehp.org](mailto:reyes-a2@iehp.org) or 909-727-2214.

Sincerely,

Angelica Baltazar, MSW  
Foundation President



Date: June 28, 2022

To: Board of Directors

Subject: Results of the LAFCO 2022 Special District Selection  
Committee Election – Western Portion of the County

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**Background:**

- In March 2020, the Local Area Formation Commission (LAFCO) released a call for nominations for Special District Member representation in the Eastern portion of the County to fill the expiring term.
- Subsequently, in August 2020, LAFCO released a call for a Special District Member alternate nomination.
- The Board respectively nominated then director, now President Karen Borja, as the Special District Member to represent the district, as well as director Arthur Shorr as the alternate at-large member.
- The July 2020 Special District Member election of candidates resulted in Nancy Wright, Mission Springs Water District, and Steve A. Pastor, Lake Hemet Municipal Water District as an alternate.

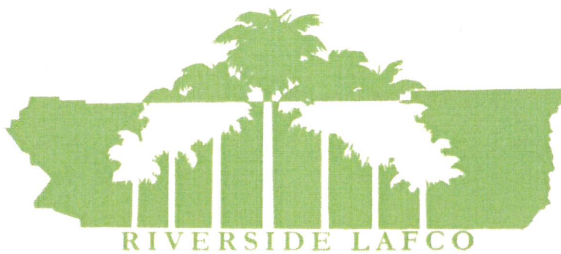
**Election Process for the Western Portion of the County:**

- On January 10, 2022, LAFCO released a call for nominations for Special District Member representation in the Western portion of the County to fill the expiring term.
- After the March 7 deadline, ballots and voting instructions were distributed to the District Clerks with an April 6 deadline.
- The presiding officer, President Borja, participated in the ballot selection process, which did not require Board action.
- There are 55 independent districts, and a quorum requires 28 districts for validation.
- Given the insufficient number of ballots, LAFCO extended the ballot period to June 7.

**Election Results**

- 29 ballots were returned that exceed the quorum requirement of 28 ballots.
- The 50% plus one threshold of first place votes was 15 from the 29 ballots cast.
- The 50% threshold plus one first place votes cast was met for the Regular Commissioner after the instant runoff voting procedure.
- Incumbent Phil Williams, Lake Elsinore Water District is the first-place winner of the instant runoff by 3 tallies of the vote.





Date: June 13, 2022

via Electronic Mail

To: Presiding Officers (c/o Clerks) and General Managers of Independent Special Districts in Riverside County

**Re: Results of Special District Selection Committee Election (Western County)**

As you are aware, over the past several months we have been conducting ballot proceedings on behalf of the Special District Selection Committee. The Committee was charged with making appointments to the Local Agency Formation Commission (LAFCO). The purpose of this notice is to announce the results of the election pursuant to Government Code Section 56332(f)(6).

This year's election was held by electronic mail balloting for purposes of filling the expiring terms for the Regular Special District Commissioner for the Western County.

Twenty-nine (29) ballots were returned, exceeding the quorum requirement of twenty-eight (28) ballots necessary. The 50% plus one threshold of first place votes was fifteen (15) based on the 29 ballots cast. The threshold of 50% plus one first place votes for ballots cast was met for the Regular Commissioner after application of the instant runoff voting procedure adopted by the Special District Selection Committee in 2016.

The winning nominee for the Regular Special District Commissioner for Western County is shown below in bold, after the instant runoff voting procedure was applied. The original first place vote tally for all nominees with all votes cast for each nominee is shown below the final vote tally. Note that two first place votes are not included in the final tally due to lack of designation of additional nominee rankings by some districts.

**LAFCO Special District Member (Western):**

<u>Candidate</u>	<u>First Place Votes</u>
<b>Phil Williams (Elsinore Valley Municipal Water District)</b>	<b>15</b>
Steve A. Pastor (Lake Hemet Municipal Water District)	12
<u>Candidate</u>	<u>First Place Votes</u>
Larry Smith (San Geronio Pass Water Agency)	0
Steve A. Pastor (Lake Hemet Municipal Water District)	7
John Skerbelis (Rubidoux Community Services District)	4
Phil Williams (Elsinore Valley Municipal Water District)	14
David Hoffman (Beaumont-Cherry Valley Water District)	4

Should you have any questions, please do not hesitate to contact me.

Sincerely,

  
Gary Thompson  
Executive Officer



Date: June 28, 2022  
To: Board of Directors  
Subject: Community Engagement and Presentations

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**Background:**

- Continuing with the key professional responsibilities of the District's CEO in maintaining and developing the organization's external relations by communicating the organization's mission and achievements effectively to stakeholders and to create links with community constituents so the highest degree of impact can be achieved through the most effective use of resources.
- The following is brief information regarding some of the current, past, current, and upcoming presentations and community engagements involving the CEO.

**Information:**

- Riverside County Nonprofit Roundtable Leader David Escobar – May 24, 2022
- ACHD Seismic Group – May 24, 2022
- ACHD Board of Director – May 25, 2022
- Women Who Lead Event (Honoring Director De Lara) – May 25, 2022
- IEHP Foundation CEO, Angelica Baltazar – May 26, 2022
- Meeting with Glenn Miller, Senator Melissa Melendez Office – May 26, 2022
- Meeting with GAFCON, Inc regarding potential North Shore Project – May 26, 2022
- Meeting with President Borka and Cesar Gomez, Chief of Staff, Assemblymember Medina regarding Seismic Budget Ask. – May 26, 2022
- Meeting with Chevelle Newell-Tate, Assemblywoman Dr. Weber – May 27, 2022
- Meeting with Rachel Gonzaga, District Director, Assemblywoman Cervantes – May 27, 2022
- Meeting with Mikaila Krusse, Sen Roth's Office – May 31, 2022

- Meeting with Cathy Martin, Executive Director, ACHD – June 1, 2022
- Meeting with Matthew Chang, Director RUHS Mental Health – June 2, 2022
- ACHD CEOs Meeting on Seismic – June 2, 2022
- Grantmakers in Health Presentation Meeting with Kimberly Saruwatari and Alejandro Espinoza – June 3, 2022
- Riverside County Vaccine Equity Group – June 3, 2022
- Meeting regarding ECV Air Quality with stakeholders Joey Acuna and Paul Slama – June 3, 2022
- Meeting with Congressional Hispanic Caucus Staff regarding Farmworkers Round Table – June 7, 2022
- ACHD Seismic Group – June 7, 2022
- Meeting with Faith-based Leaders regarding Title 42 – June 7, 2022
- Inland Empire Funders Alliance Meeting – June 8, 2022
- DHCD and RUHS-BH Behavioral Health Initiative – June 8, 2022
- Air Quality Emergency Communication Plan Meeting – June 9, 2022
- Interview with KESQ, Peter Daut regarding DRMC seismic – June 14, 2022
- Meeting with Strategies 360 – June 15, 2022
- Meeting with GAFCON – June 16, 2022
- Riverside County Nonprofit Roundtable – June 16, 2022
- Attended DRMC Graduation – June 17, 2022
- Congressional Hispanic Caucus Round Table on Farmworkers Health, Safety, Education, Housing, and Immigration Needs – Washington, DC – June 22, 2022.
- Meeting with Lideres Campesinas, Rural Coalition, and Migrant Clinicians Network in Washington, DC – June 22, 2022.
- Meeting with Dr. Mark Ghaly, Secretary of Health & Human Services, California – June 23, 2022.

**Upcoming Events:**

- 2022 Grantmakers in Health Annual Conference – June 28, 2022. Conrado, Alejandro, and Kim Saruwatari, RUHS Public Health Director, will provide a presentation about our CV Equity Collaborative: “Advancing a Health Equity Framework through Pandemic Response: Foundations’ Leadership Role Past, Present, and Future”.

**Media Coverage:**



Date: June 28, 2022  
To: Board of Directors  
Subject: Hybrid Meetings

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**Background:**

- On September 16, 2021 Governor Newsom signed Assembly Bill (AB) 361 into law, amending the Ralph M. Brown Act (Brown Act) and allowing legislative bodies to continue to meet virtually during the present public health emergency.
- Existing law, until January 1, 2024, authorizes a local agency to use teleconferencing when a declared state of emergency is in effect, or in other situations related to public health.
- The Desert Healthcare District continues to recommend measures to promote social distancing to avoid imminent risks to the health of meeting attendees posed by COVID-19.
- Desert Healthcare District has adopted resolutions that continue to allow our agency to meet via teleconference.

**Information:**

- At the previous Board Meeting, on May 24, 2022, staff reported it would explore options for hybrid meetings and test technology until it would be deemed reliable.
- According to CDC data there are 5,294 virus cases as of June 21, 2022 with a case rate of more than 220/100,000.
- Therefore, it is staff recommendation that in-person meetings be postponed until September 2022.



**DESERT HEALTHCARE DISTRICT  
STRATEGIC PLANNING COMMITTEE  
MEETING MINUTES  
June 14, 2022**

<b>Directors Present via Video Conference</b>	<b>District Staff Present via Video Conference</b>	<b>Absent</b>
Director/Chair Les Zendle, MD President Karen Borja Director Leticia De Lara	Conrado E. Bárzaga, MD, CEO Chris Christensen, CAO Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Jana Trew, Senior Program Officer, Behavioral Health Meghan Kane, Senior Program Officer, Public Health Andrea S. Hayles, Clerk to the Board	

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>I. Call to Order</b>	Chair Zendle called the meeting to order at 1:36 p.m. with all directors present.	
<b>II. Approval of Agenda</b>	Chair Zendle asked for a motion to approve the agenda.	<b>It was moved by Director De Lara and seconded by President Borja to approve the agenda. Motion passed unanimously.</b>
<b>III. Approval of the Minutes – January 11, 2022</b>	Chair Zendle asked for a motion to approve the minutes of the January 11, 2022, meeting.	<b>It was moved by Director De Lara and seconded by President Borja to approve the January 11, 2022, meeting minutes. Motion passed unanimously.</b>
<b>IV. Public Comment</b>	There was no public comment.	
<b>V. Old Business</b>		
<b>1. FY2021-2026 Strategic Plan</b> <b>a. Strategic Goals - Priorities Implementation/ Communications</b>	Conrado Bárzaga, MD, CEO, described the strategic plan priorities of high, moderate, and low with goals 2, 3, and 4 representing the high priorities, but functioning in a supportive role for the other priorities that may emerge. At the May Board meeting, staff was directed to explore an allocation of additional funding to the Behavioral Health (\$1M) and Homelessness Initiatives (\$1M).	



**DESERT HEALTHCARE DISTRICT  
STRATEGIC PLANNING COMMITTEE  
MEETING MINUTES  
June 14, 2022**

<b>VI. New Business</b>  <b>1. Behavioral Health Initiative</b> <b>a. \$2M from FY 21-22 grant budget for allocating to the existing Behavioral Health collective fund to expand access to behavioral healthcare services in the Coachella Valley</b>	<p>Conrado Bárzaga, MD, CEO, as mentioned in the overview of the strategic plan priorities, staff's recommendation is to allocate \$2M to the Behavioral Health Initiative. There's a substantial need for behavioral health services in the Coachella Valley as reflected from the twelve proposals in response to the Behavioral Health Request for Proposals release.</p> <p>The committee briefly discussed the medical issues of people experiencing homelessness that qualify for funding in particular goal areas linked to behavioral health, such as homelessness and substance abuse.</p>	<p><b>It was moved by Director De Lara and seconded by President Borja to approve the \$2M from FY 21-22 grant budget for allocating to the existing Behavioral Health collective fund to expand access to behavioral healthcare services in the Coachella Valley and forward to the Board for approval. Motion passed unanimously.</b></p>
<b>VII. Adjournment</b>	<p>Chair Zendle adjourned the meeting at 1:53 p.m.</p>	<p><b>Audio recording available on the website at <a href="https://www.dhcd.org/Agendas-and-Documents">https://www.dhcd.org/Agendas-and-Documents</a></b></p>

ATTEST: \_\_\_\_\_  
Les Zendle, MD, Chair/Director, Strategic Planning Committee  
Desert Healthcare District Board of Directors

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



**DESERT HEALTHCARE DISTRICT**  
**FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE**  
**MEETING MINUTES**  
**June 14, 2022**

<b>Directors Present</b>	<b>District Staff Present</b>	<b>Absent</b>
Chair/Treasurer Arthur Shorr President Karen Borja Director Les Zendle, MD	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Eric Taylor, Accounting Manager Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Andrea S. Hayles, Clerk to the Board	

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>I. Call to Order</b>	Chair Shorr called the meeting to order at 3:30 p.m.	
<b>II. Approval of Agenda</b>	Chair Shorr asked for a motion to approve the agenda.	<b>Moved and seconded by Director Zendle and President Borja to approve the agenda with the change.</b> <b>Motion passed unanimously.</b>
<b>III. Public Comment</b>	There was no public comment.	
<b>IV. Approval of Minutes</b> <b>1. F&amp;A Minutes – Meeting May 10, 2022</b>	Chair Shorr motioned to approve the May 10, 2022, minutes.	<b>Moved and seconded by Director Zendle and President Borja to approve the May 10, 2022, meeting minutes.</b> <b>Motion passed unanimously.</b>
<b>V. CEO Report</b>	There was no CEO Report.	
<b>VI. Chief Administration Officer's Report</b>	Chris Christensen, CAO, described the completion of the interim audit fieldwork that includes test transactions, with no findings. The end-of-year fieldwork is scheduled at the beginning of August. The Las Palmas Medical Plaza remains at 97.9% occupied, with a suite recently vacated and a possible upcoming lease to occupy the vacant suite.	
<b>VII. Financial Reports</b> <b>1. District and LPMP Financial Statements</b>	Chair Shorr reviewed the financials with the committee highlighting the year-to-date variance analysis. Chris	



**DESERT HEALTHCARE DISTRICT**  
**FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE**  
**MEETING MINUTES**  
**June 14, 2022**

<p>2. Accounts Receivable Aging Summary</p> <p>3. District – Deposits</p> <p>4. District – Property Tax Receipts</p> <p>5. LPMP Deposits</p> <p>6. District – Check Register</p> <p>7. Credit Card – Detail of Expenditures</p> <p>8. LPMP – Check Register</p> <p>9. Retirement Protection Plan Update</p> <p>10. Grant Payment Schedule</p>	<p>Christensen, CAO, provided an overview of the grant expense line item, recommending carrying forward any remaining grant funds into the new fiscal year. The committee directed staff to present at the June Board meeting on the CEO Report an action item to carry forward the remaining grant funds into FY 22-23. Mr. Christensen noted that the Retirement Protection Plan is less one participant in the month of June.</p>	<p><b>Moved and seconded by President Borja and Director Zendle to approve the May 2022 financials – items 1-10 and to forward to the Board for approval.</b></p> <p><b>Motion passed unanimously.</b></p>
<p><b>VIII. Other Matters</b></p> <p>1. Consulting Services Agreement – Spitfire Strategies – Board Development – NTE \$45,000</p> <p>2. Amendment #3 - Kaufman Hall Associates May 20, 2021, Engagement Letter – Effective May-July 2022 - \$75,000 per month, plus expenses</p>	<p>Conrado Bárzaga, MD, CEO, described the agreement with Spitfire Strategies for board development workshops with the accompanying scope of work, which replaces the development efforts of Rauch Communications. The committee discussed a code of conduct for the board and staff for an upcoming workshop similar to the one adopted by the Association of California Healthcare Districts.</p> <p>Chair Shorr described the Kaufman Hall Associates engagement letter to continue the services suggesting accelerating the meetings to move forward with the goals.</p>	<p><b>Moved and seconded by Director Zendle and President Borja to approve the Consulting Services Agreement – Spitfire Strategies – Board Development – NTE \$45,000 and forward to the Board for approval.</b></p> <p><b>Motion passed unanimously.</b></p> <p><b>Moved and seconded by Director Zendle and President Borja to approve Amendment #3 - Kaufman Hall Associates May 20, 2021, Engagement Letter – Effective May-July 2022 - \$75,000 per month, plus expenses and forward to the Board for approval.</b></p> <p><b>Motion passed unanimously.</b></p>

**DESERT HEALTHCARE DISTRICT**  
**FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE**  
**MEETING MINUTES**  
**June 14, 2022**

<p><b>3. Addendum #3 - Magdalena Martinez HR Consultant - \$927/month</b></p>	<p>Chair Shorr described the 12 month extension of the HR consultant agreement.</p>	<p><b>Moved and seconded by Director Zendle and President Borja to approve Addendum #3 - Magdalena Martinez HR Consultant - \$927/month and forward to the Board for approval. Motion passed unanimously.</b></p>
<p><b>4. LPMP – Suite 2W-101 - Dr. Wolfson Lease Renewal – 3 Years</b></p> <p><b>5. LPMP – Suite 3W-103 - Dr. Gundry Lease Renewal – 3 Years</b></p>	<p>Chris Christensen, CAO, described the lease for Dr. Wolfson expiring July 31, 2022, a 3-year lease renewal with annual increases of 3%, net revenue from rent and CAM is \$132k for the life of the lease, a 9% tenant improvement allowance, and a net lease income of \$120k. Dr. Gundry's lease expires July 31, 2022, a 3-year lease renewal with two (2) one (1) year optional terms, a 3% increase, and a \$9/per sq. ft. tenant improvement allowance.</p> <p>The committee discussed if a 3% increase is marketable in the current economic environment and exploring an updated rent study.</p>	<p><b>Moved and seconded by Chair Shorr and President Borja to approve LPMP – Suite 2W-101 - Dr. Wolfson Lease Renewal – 3 Years and Suite 3W-103 - Dr. Gundry Lease Renewal – 3 Years and forward to the Board for approval. Motion passed unanimously.</b></p>
<p><b>6. Policies -</b></p> <p><b>a. Policy #FIN-02 – Authorized Check Signers, Signers, Dollar Limits, and Transfer of Funds</b></p> <p><b>b. Policy #FIN-03 – Investment Policy</b></p> <p><b>c. Resolution No. 22-13 – FY22-23 Statement of Investment Policy</b></p> <p><b>d. Policy #FIN-05 – Credit Card Usage</b></p>	<p>Chris Christensen, CAO, described the modifications to Policy #FIN-02 that include authorized check signers to a minimum of four (4) board members and the addition of language to the transfer of funds. Policy #FIN-03 – investment policy has minor changes with the resolution to accompany the policy for FY 2022-2023 with minor adjustments described on the</p>	<p><b>Moved and seconded by Director Zendle and President Borja to approve Policy #FIN-02 – Authorized Check Signers, Signers, Dollar Limits, and Transfer of Funds; Policy #FIN-03 – Investment Policy Resolution No. 22-13 – FY22-23 Statement of Investment Policy; and Policy #FIN-05 – Credit Card Usage and forward to the Board for approval. Motion passed unanimously.</b></p>

DESERT HEALTHCARE DISTRICT  
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE  
MEETING MINUTES  
June 14, 2022

	credit card usage policy. Mr. Christensen noted that the policies committee will likewise review the changes to the policies.	
IX. Adjournment	Chair Shorr adjourned the meeting at 4:26 p.m.	<b>Audio recording available on the website at</b> <a href="http://dhcd.org/Agendas-and-Documents">http://dhcd.org/Agendas-and-Documents</a>

ATTEST: \_\_\_\_\_  
Arthur Shorr, Treasurer/Chair, Board of Directors  
Finance & Administration Committee Member  
Desert Healthcare District Board of Directors

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



Date: June 28, 2022  
To: Board of Directors  
Subject: Lease Agreement – WestPac Labs 1W-104

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**Staff Recommendation:** Approval of the draft lease agreement for WestPac Labs at the Las Palmas Medical Plaza.

**Background:**

- This is a new lease for suite 1W-104, which was recently vacated as of June 1, 2022.
- WestPac Labs is a previous tenant whose last lease expired in 2019.
- WestPac Labs has requested a lease of one year and one month, with a base rent of \$2/square foot and no Tenant Improvement allowance.
- Lease date July 1, 2022, with the commencement date of rent payments August 1, 2022. (1-month waiver).
- WestPac Labs also requests one (1) one (1) year optional term.
- Annual increase for optional term will be 3%.
- LOI was received by staff after the June F&A committee meeting with an intended start date of July 1, 2022. Notification to Committee Chair Shorr was made prior to inclusion of documents in Board packet.
- Staff recommends approval of the lease agreement.
- Draft lease agreement is attached for review.

**Fiscal Impact:**

Estimated Revenue from Rent and CAMs for life of the base lease - \$33,055

Estimated Costs:

Broker Commission - \$1,475

Net Lease Income (base lease) - \$31,580

**OFFICE BUILDING LEASE**

**Between**

**DESERT HEALTHCARE DISTRICT,  
DOING BUSINESS AS LAS PALMAS MEDICAL PLAZA  
AS LANDLORD**

**And**

**WESTPAC LABS, A CALIFORNIA CORPORATION,  
AS TENANT**

**DATED**

**JULY 01, 2022**

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OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as “Landlord”, and WestPac Labs, a California Corporation, hereinafter referred to as “Tenant”, and is dated July 1, 2022.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2L. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

- a. *Base Rent (Initial):* \$ Twenty-Four Thousand, Five Hundred Seventy-Six & 00/100 Dollars (\$24,576.00) per year.
- b. *Base Year:* The calendar year of 2022.
- c. *Broker(s):*  
Landlord's: Coldwell Banker Commercial Lyle & Associates.  
Tenant's: \_\_\_\_\_  
  
In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date:* July 1, 2022.
- e. *Common Areas:* The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date:* July 31, 2023, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address:* 1140 N. Indian Canyon Dr., Palm Springs, CA 92262.  
*Tenant's Mailing Address:* 555 E. Tachevah Dr, 1W-104, Palm Springs, CA 92262.
- h. *Monthly Installments of Base Rent (initial):* \$ Two Thousand, Forty-Eight & 00/100 Dollars (\$2,048.00) per month.
- i. *Project Operating Costs (CAMs):* Currently Sixty-Nine Cents (\$.69) per square foot per month.
- j. *Tenant Improvement Allowance (TI):* N/A.
- k. *Parking:* Tenant shall be permitted, to park 5 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises:* That portion of the Building containing approximately 1,024 square feet of Rentable Area, located in Building 1W and known as Suite 104.
- m. *Project:* The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area:* As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.
- o. *Security Deposit (Section 7):* \$ Two Thousand, Seven Hundred Fifty-Four & 56/100 Dollars (\$2,754.56).

- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 13 months.
- r. *Tenant's Proportionate Share*: 2.07%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: Medically related office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

### 3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addenda\*

\*See Addendum attached hereto and by this reference made a part hereof.

### 4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession, "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Addendum. If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

### 5. RENT.

5.1 *Payment of Base Rent*: Tenant agrees to pay the base rent for the premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

#### 5.2 *Adjusted Base Rent*:

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date.
- b. Such adjustment shall be the greater of 3% over the preceding year or Consumer Price Index.
- c.

#### 5.3 *Project Operating Costs (CAMs)*:

- a. In order that the Rent payable during the Term reflect Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

(1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

- (a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction

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represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably Approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b.) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenant); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(2.) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a.) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b.) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

(d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.

(e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's

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accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).

- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

**5.4 Definition of Rent:** The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

**5.5 Rent Control:** If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

**5.6 Taxes Payable by Tenant:** In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

**5.7 Tenant Improvement Allowance:** In recognition for Tenant completing all improvements, including fire sprinklers, to the premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of agreed tenant improvements. This allowance will be reimbursed to tenant upon satisfactory receipt of paid invoices and inspection by Property Management that work has been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work and shall be performed by a licensed General Contractor approved by Landlord in advance. Tenant shall submit plans and specifications for any and all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the tenant improvement work and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to prevailing wages and if construction costs exceed \$25,000, then the tenant improvements shall also be subject to California competitive bid statutes.

## 6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

## 7. SECURITY DEPOSIT.

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Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer, or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand, therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

## 8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project, or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

## 9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied

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for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord Promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of common area in a manner that such services are customarily furnished to comparable office buildings in the area.

## 10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

## II. CONSTRUCTION, REPAIRS AND MAINTENANCE.

a. *Landlord's Obligations:* Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.

b. *Tenant's Obligations:*

(1.) Tenant shall perform Tenant's Work to the Premises as described in an exhibit specific to Tenant Improvements, if applicable."

(2.) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.

(3.) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

(4.) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

c. *Compliance with Law:* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

d. *Waiver by Tenant:* Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

e. *Load and Equipment Limits:* Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer.

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The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

## 12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1.5) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and material men's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

## 13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's

Property”) shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant’s Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

#### 14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit “D” and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project.

#### 15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant’s use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, eluding Tenant’s vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord’s interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant’s business in the Premises in the course of any such entry.

#### 16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant’s notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant’s notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
  - (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
  - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
  - (3.) No assignment or sublease shall be valid, and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
  - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and
  - (5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums

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which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
- d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
- e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

#### 17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

#### 18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.
- b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

#### 19. DESTRUCTION OR DAMAGE.

- a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.
- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.



- c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.
- e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

## 20. EMINENT DOMAIN.

- a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.
- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.
- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

## 21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

## 22. TENANT'S INSURANCE.



- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.
- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.
- d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

## 23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

## 24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

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## 25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

## 26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

## 27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1.) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2.) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3.) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus
- (4.) *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses (including attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award@ as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum." The worth at the time of the award@ as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

- 27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

## 28. BROKERAGE FEES.

\_\_\_\_\_ District      \_\_\_\_\_ Recipient

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Tenant shall indemnify and hold Landlord harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

## 29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

## 30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

## 31. RELOCATION OF PREMISES.

Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

- a. The new premises shall be substantially the same in size, dimension, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

## 32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

## 33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

## 34. FORCE MAJEURE.

\_\_\_\_\_ District      \_\_\_\_\_ Recipient

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

### 35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

### 36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

### 37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda:* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees:* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers:* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender:* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law:* This Lease shall be construed and enforced in accordance with the laws of the State of California.
- g. *Consent:* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.
- h. *Corporate Authority:* If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. *Counterparts:* This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option:* The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant

and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

- k. *Furnishing of Financial Statements; Tenant's Representations:* In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.
- l. *Further Assurances:* The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- m. *Mortgagee Protection:* Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- n. *Prior Agreements; Amendments:* This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. *Recording:* Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.
- p. *Severability:* A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. *Successors and Assigns:* This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
- r. *Time of the Essence:* Time is of the essence of this Lease.
- s. *Waiver:* No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- t. *Compliance:* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	<u>WestPac Labs</u>
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Conrado Bárzaga</u>	By:	_____

\_\_\_\_\_ District      \_\_\_\_\_ Recipient

Signature: \_\_\_\_\_

Title: CEO

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

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## EXHIBIT "A"

### RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on entry door and directory shall be printed, painted, affixed, or inscribed at the expense of Landlord by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard interior window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.



- 14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
- 15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
- 16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
- 17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
- 18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

\_\_\_\_\_  
Landlord's Initials

\_\_\_\_\_  
Tenant's Initials

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ADDENDUM

Addendum to that certain Office Building Lease dated July 1, 2022 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and WestPac Labs, as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

1. Commencement Date: July 1, 2022
2. Expiration Date: July 31, 2023
3. Rent Schedule:

07/01/2022 – 07/31/2022\$0.0008/01/2022 – 07/31/2023\$2,048.00
4. CAMs: Currently \$.69 per square foot
5. Security Deposit: Upon execution of Lease, Tenant shall deposit \$2,754.56, amount equal to one month's rent for security deposit.
6. Option Term: One (1) one (1) year Option Term. Base Rent for the first year of the Option Term shall be at "Market Rate", which shall not be less than the last month of the Initial Term plus three (3%) percent annual increase.

The foregoing is hereby agreed to and accepted:

Date:Landlord:Desert Healthcare Districtdba: Las Palmas Medical PlazaBy:Conrado BárzagaSignature:Title:CEO

Date:Tenant:WestPac LabsBy:Signature:Title:



**DESERT HEALTHCARE DISTRICT  
PROGRAM COMMITTEE MEETING  
MEETING MINUTES  
June 14, 2022**

<b>Directors Present via Video Conference</b>	<b>District &amp; Legal Counsel Staff Present via Video Conference</b>	<b>Absent</b>
President Karen Borja Secretary Carmina Zavala	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, CAO Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Jana Trew, Senior Program Officer, Behavioral Health Meghan Kane, Senior Program Officer, Public Health Andrea S. Hayles, Clerk of the Board	Vice-President Evett PerezGil

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>I. Call to Order</b>	The meeting was called to order at 5:01 p.m. by President Borja in Chair PerezGil's absence.	
<b>II. Approval of Agenda</b>	President Borja asked for a motion to approve the agenda.	<b>Moved and seconded by Secretary Zavala and President Borja to approve the agenda. Motion passed unanimously.</b>
<b>III. Meeting Minutes</b> <b>1. May 10, 2022</b>	President Borja asked for a motion to approve the May 10, 2022, meeting minutes correcting the adjournment to Chair PerezGil.	<b>Moved and seconded by Director Zavala and Chair PerezGil to approve the May 10, 2022, meeting minutes. Motion passed unanimously.</b>
<b>IV. Public Comment</b>	There were no public comments.	
<b>V. Old Business</b>  <b>1. Grant Payment Schedule</b>  <b>2. Grant applications and RFP proposals submitted and under review</b>	President Borja inquired if the committee had any questions concerning the grant payment schedule, grant applications, and request for proposals submitted and under review.	

**DESERT HEALTHCARE DISTRICT  
PROGRAM COMMITTEE MEETING  
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<p><b>VI. Program Updates</b></p> <p><b>1. Progress and Final Reports Update</b></p>	<p>President Borja inquired if the committee had any questions concerning the progress and final reports.</p>	
<p><b>VII. Grant Funding Requests</b></p> <p><b>1. Consideration to forward to the board of directors approval of:</b></p> <p><b>a. #1330 OneFuture Coachella Valley – <i>Building a Healthcare Workforce Pipeline</i> \$1,185,000</b></p>	<p>Donna Craig, Chief Program Officer, described OneFuture Coachella Valley’s grant request for three (3) years to continue to develop and support the scholarship program for Black and African American scholars, including low-income students that qualify. The grant funding is fragmented between the number of scholarships and staffing, such as acquiring additional funding, working with the scholar's families and students with a unique role to build the workforce pipeline.</p> <p>The committee inquired about the nine (9) versus ten (10) grant score, and OneFuture’s progress report from a prior \$1M grant application request to \$2M. Additionally, the committee suggested inviting a few of the scholars to the next Program Committee meeting to determine the need, including adjustments to the proposal that is not solely partnered with Tenet or Eisenhower for equitable efforts.</p> <p>Public Comments:</p>	<p><b>Moved and seconded by President Borja and Director Zavala to table Grant #1330 OneFuture Coachella Valley – <i>Building a Healthcare Workforce Pipeline</i> \$1,185,000 and for staff to meet with OneFuture to strengthen the grant proposal. Motion passed unanimously</b></p>

**DESERT HEALTHCARE DISTRICT  
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	<p>Sheila Thorton, President/CEO, OneFuture Coachella Valley, and Kim McNulty, Vice-President of Regional Strategy, described the workforce pipeline in detail. Further, both provided an overview of the goals to meet the demand, explained the external funding support from school districts, Health Career Connections internships that the District makes the most of during the summer months, and the Behavioral Health Green Ribbon Committee correlation.</p> <p>Conrado Bárzaga, MD, CEO, explained that the staff will meet with OneFuture Coachella Valley to strengthen the grant proposal for more equitable access.</p>	
<p><b>b. COACHELLA VALLEY EQUITY COLLABORATIVE - Core Operating Support for two (2) years to continue equitable community work after COVID</b></p> <p><b>1. #1324 Galilee Center \$100,000</b></p> <p><b>2. #1325 Vision Y Compromiso \$150,000</b></p>	<p>Alejandro Espinoza, Chief of Community Engagement, described the ongoing work of the Coachella Valley Equity Collaborative in response to COVID-19 and providing funding resources to the collaborative partners to continue those efforts.</p> <p>The committee recommended that staff assist the Galilee Center in addressing and identifying the performance measures to develop the moderate to low priority goals.</p>	<p><b>Moved and seconded by Director Zavala and President Borja to approve Grants #1325, #1327, #1328, and #1331, for core operating support for two (2) years to continue equitable community work of the Coachella Valley Equity Collaborative and forward to the Board for approval. Motion passed unanimously</b></p>

DESERT HEALTHCARE DISTRICT  
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<p>3. #1326 TODEC Legal Center \$100,00</p> <p>4. #1327 Youth Leadership Institute \$50,000</p> <p>5. #1328 El Sol Neighborhood Education Center \$150,000</p> <p>6. #1331 Pueblo Unido \$50,000</p> <p>7. #1332 Alianza CV \$100,000</p> <p>8. #1333 Lideres Campensinas \$150,000 (not available due to not having audited financials)</p> <p>c. GRANT AMENDMENT: Grant #965 Desert Healthcare Foundation: <i>Behavioral Health Initiative</i>. \$2M from FY 21-22 grant budget for allocating to the existing Behavioral Health collective fund to expand</p>	<p>The committee explained that the TODEC Legal Center grant request involves funding areas of Riverside and San Bernardino Counties that the district does not fund; however, staff could assist them with their proposal on expanding their efforts in the Coachella Valley.</p> <p>Alianza's grant proposal does not include a specific or identifiable need for the action team and training that lacks detail, also requesting that staff collaborates to strengthen the goals.</p> <p>The committee recommended approval of all the grant proposals except the Galilee Center, TODEC Legal Center, and Alianza.</p> <p>Donna Craig, Chief Program Officer, provided an overview of the discussion at the May board meeting, the strategic planning committee's approval, and staff's recommendation to allocate \$2M to the Behavioral Health Initiative from the current fiscal year to the Behavioral Health collective fund.</p>	<p>Moved and seconded by Director Zavala and President Borja to approve amending Grant #965 Desert Healthcare Foundation: <i>Behavioral Health Initiative</i> amendment to include an additional \$2 million allocation from the FY 21/22 grant budget and forward to the Board for approval. Motion passed unanimously</p>
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**DESERT HEALTHCARE DISTRICT  
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access to behavioral healthcare services in the Coachella Valley		
<b>VIII. Committee Members Comments</b>	There were no committee member comments	
<b>IX. Adjournment</b>	President Borja adjourned the meeting at 5:59 p.m.	<b>Audio recording available on the website at <a href="http://dhcd.org/Agendas-and-Documents">http://dhcd.org/Agendas-and-Documents</a></b>

ATTEST: \_\_\_\_\_  
Karen Borja, President, Board of Directors  
Program Committee

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

DESERT HEALTHCARE DISTRICT								
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE								
May 31, 2022								
TWELVE MONTHS ENDING JUNE 30, 2022								
			Approved	6/30/2021	Current Yr	Total Paid Prior Yrs	Total Paid Current Yr	Open
Grant ID Nos.		Name	Grants - Prior Yrs	Bal Fwd	2021-2022	July-June	July-June	BALANCE
2014-MOU-BOD-11/21/13		Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 6,660,000		\$ -		\$ 6,660,000
2019-994-BOD-05-28-19		One Future Coachella Valley - Mental Health College & Career Pathway Development - 2 Yrs.	\$ 700,000	\$ 148,750		\$ 148,750		\$ -
2020-1085-BOD-05-26-20		Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.	\$ 50,000	\$ 5,000		\$ 5,000		\$ -
2020-1057-BOD-05-26-20		Desert Cancer Foundation - Patient Assistance Program - 1 Yr.	\$ 150,000	\$ 15,000		\$ 15,000		\$ -
2020-1139-BOD-09-22-20		CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.	\$ 50,000	\$ 5,000		\$ -		\$ 5,000
2020-1135-BOD-11-24-20		Hope Through Housing Foundation - Family Resilience - 1 Yr.	\$ 20,000	\$ 2,000		\$ 1,098		\$ 902
		Unexpended funds Grant #1135						\$ (902)
2020-1149-BOD-12-15-20		Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 40,000	\$ 22,000		\$ 22,000		\$ -
2021-1136-BOD-01-26-21		Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr.	\$ 119,432	\$ 65,688		\$ 53,744		\$ 11,944
2021-1147-BOD-01-26-21		Alzheimer's Association - Critical Program Support - 1 Yr.	\$ 33,264	\$ 18,295		\$ 18,295		\$ -
2021-1162-BOD-01-26-21		Joslyn Center - Wellness Center Program Support - 1 Yr.	\$ 109,130	\$ 60,022		\$ 60,022		\$ -
2021-1170-BOD-02-23-21		Jewish Family Services - Mental Health Counseling for Underserved Residents - 1 Yr.	\$ 80,000	\$ 44,000		\$ 44,000		\$ -
2021-1141-BOD-03-23-21		Martha's Village & Kitchen - Homeless Housing With Wrap Around Services - 1 Yr.	\$ 210,905	\$ 115,998		\$ 115,998		\$ -
2021-1171-BOD-03-23-21		Blood Bank of San Bernardino/Riverside Counties - Bloodmobiles for Coachella Valley - 18 Months	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000
2021-1174-BOD-03-23-21		Mizell Center - Geriatric Case Management Program 1 Yr.	\$ 100,000	\$ 55,000		\$ 55,000		\$ -
2021-1266-BOD-04-27-21		Galilee Center - Our Lady of Guadalupe Shelter - 1 Yr.	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000
2021-1277-BOD-04-27-21		Lift To Rise - United Lift Rental Assistance 2021 - 8 Months	\$ 300,000	\$ 210,000		\$ 180,000		\$ 30,000
2021-1280-BOD-05-25-21		Desert AIDS Project - DAP Health Expands Access to Healthcare - 1Yr.	\$ 100,000	\$ 55,000		\$ 45,000		\$ 10,000
2021-21-02-BOD-06-22-21		Carry over of remaining Fiscal Year 2020/2021 Funds*	\$ 1,854,873	\$ 1,854,873		\$ 884,646		\$ 970,227
2021-1296-BOD-11-23-21		Coachella Valley Volunteers In Medicine - Improving Access to Healthcare Services - 1 Yr.			\$ 154,094		\$ 69,342	\$ 84,752
2021-1289-BOD-12-21-21		Desert Cancer Foundation - Patient Assistance Program - 1 Yr.			\$ 150,000		\$ 67,500	\$ 82,500
2022-1301-BOD-01-25-22		UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr.			\$ 113,514		\$ 51,081	\$ 62,433
2022-1302-BOD-01-25-22		Vision To Learn - Palm Springs, Desert Sands, and Coachella Valley School Districts 1 Yr.			\$ 50,000		\$ 22,500	\$ 27,500
2022-1303-BOD-01-25-22		CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.			\$ 54,056		\$ 24,325	\$ 29,731
2022-1306-BOD-02-22-22		Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.			\$ 123,451		\$ 55,553	\$ 67,898
2022-1311-BOD-04-26-22		Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.			\$ 102,741		\$ 46,233	\$ 56,508
2022-1313-BOD-04-26-22		Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities 1 Yr.			\$ 76,790		\$ 34,555	\$ 42,235
2022-1314-BOD-05-24-22		Voices for Children - Court Appointed Special Advocate Program - 1 Yr.			\$ 60,000		\$ -	\$ 60,000
								\$ -
TOTAL GRANTS			\$ 14,217,604	\$ 9,501,626	\$ 884,646	\$ 1,783,553	\$ 371,089	\$ 8,230,728
Amts available/remaining for Grant/Programs - FY 2021-22:								
Amount budgeted 2021-2022				\$ 4,000,000			G/L Balance:	5/31/2022
Amount granted through May 31, 2022:				\$ (884,646)				
Mini Grants:	1293; 1294			\$ (10,000)				\$ 3,240,728
Financial Audits of Non-Profits				\$ -				\$ 4,990,000
Net adj - Grants not used:	FY20-21 Funds, 1124, 1135			\$ 1,868,521			Total	\$ 8,230,728
Matching external grant contributions				\$				\$ (0)
Balance available for Grants/Programs				\$ 4,973,875				
* Value listed in Total Paid column reflects funds granted from carryover funds. Actual grant payments will be reflected under the respective grant.								





**DESERT HEALTHCARE  
DISTRICT & FOUNDATION**

Date: June 14, 2022  
To: Program Committee  
Subject: Grant Applications and RFP Proposals Submitted and Under Review

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**Staff Recommendation:** Information only.

**Grant Applications:** The following grant applications have been submitted and under review by the grants team and are pending proposal conferences.

Recommendations/suggested decisions will be brought forward to the July Program Committee for possible action:

1. #1318 Riverside County Latino Commission on Alcohol and Drug Abuse Services, Inc. \$619,934 *Healthy Minds, Healthy, Lives – Mente Sanas Visas Sanas*. Funds will be used to address Goal 3 of the DHCD Strategic Plan and used for salaries of mental health professionals; promotoras, case managers, legal counsel, program administrator/supervisor.
2. #1321 Theresa Mike Scholarship Foundation - \$5,000 mini grant to financially assist District students, through scholarships, that are pursuing a higher education in the medical field.
3. #1323 Alianza Nacional De Campesinas Inc - \$5,000 mini grant to used towards equipment rentals, logistical overhead and basic supply needs that are required to sustain their food distribution to Coachella Valley farmworker families.
4. #1322 Hanson House Foundation - \$5,000 mini grant to be used to subsidize lodging for the families of trauma patients and cancer patients who reside in or near the Coachella Valley and are on a fixed income.

**Grant applications declined:**

Submitted and reviewed requests that falls outside the scope of the District's HIGH PRIORITY goals in the Board-approved 2021 – 2026 Strategic Plan.

1. Desert Recreation District \$24,710 to fund one current part-time adaptive instructor to assist with therapeutic recreation.

**RFP Proposals:** Friday, June 10<sup>th</sup>, is the submission deadline for the RFP *IMPROVING ACCESS TO BEHAVIORAL HEALTH EDUCATION AND PREVENTION SERVICES TO CHILDREN (0-18 YEARS) AND THEIR FAMILIES*

**Fiscal Impact:** none – grant funds, if approved, would be allocated from FY 21/22 Grant Budget



**Date:** 6/14/2022

**To:** Program Committee – District

**Subject:** Progress and Final Grant Reports 5/1/2022 – 5/31/2022

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**The following progress and final grant reports are included in this staff report:**

**OneFuture CV #1148**

Grant term: 3/1/2021 – 2/28/2023

Original Approved Amount: \$200,000.

**Progress** report covering the time period from: 9/1/2021 – 2/28/2022

**Martha's Village and Kitchen #1141**

Grant term: 4/1/2021 – 3/31/2022

Original Approved Amount: \$210,905.

**Final** report covering the time period from: 4/1/2021 – 3/31/2022

**Mizell Center #1174**

Grant term: 4/1/2021 – 3/31/2022

Original Approved Amount: \$100,000.

**Final** report covering the time period from: 4/1/2021 – 3/31/2022

**OneFuture Coachella Valley, Grant#: 1148**

**Coachella Valley Black/African American Healthcare Student Scholarships**

**Strategic Area:** Healthcare Infrastructure and Services

**Reporting Period:** 9/1/2021 to 2/28/2022

Paul Olson  
Tel: (760) 989-4211  
paul@onefuturecv.org

**Grant Information**

**Grant Amount:** \$200,000

**Paid to date:** \$90,000

**Balance:** \$110,000

**Due Date:** 4/1/2022

**Proposed Goals and Evaluation**

The specific benefits or measurable impact to be achieved by: (2/28/2023):

**Goal #1:** Establish an Advisory Council inclusive of African American students and alumni scholars and the region's leaders, key organizations and community members most knowledgeable about the obstacles facing African American youth in pursuit of college and career attainment to inform development of scholarship priorities, student recruitment strategies and support services.

**Goal #2:** Implement immediate scholarship outreach, selection and awards cycle for first cohort of students.

Identify and provide scholarships to local African American students currently enrolled in healthcare certificate programs, 2-year and 4-year healthcare majors but not currently under scholarship with OFCV.

**Goal #3:** Assure students persist and complete certificate and degree leading to health careers by providing holistic student support services including:

1. Career pathway planning aligned with student plans and financial goals
2. One-on-one college success counseling

3. Financial aid package review, training and student and parent coaching
4. Leadership and student success workshops/events to gain essential skills from local employers and mentors.

**Goal #4:** Identify Long-Term Funding Partners for Sustained Program Implementation

**Evaluation Plan:** Advisory Council will convene students, OFCV alumni, parents with lived experience along with key organizations to inform development of scholarship priorities, student recruitment strategies and support services. The council will utilize Regional Plan partnership to guide strategies, analyze data and guide evaluation process, develop career exploration opportunities and complete a sustainability plan.

OFCV will provide scholarships to students currently enrolled in healthcare certificate and college programs in two cycles for the 2021-22 and 2022-23 academic years, respectively. Information sessions will be completed before May of each year. Awards will be completed by August annually.

OFCV Advisors will utilize one-on-one counseling sessions and scholars' completed College and Career Plan to assess progress on short, mid and long term college, career, financial, mental wellness, career pathway, graduate school and employment goals. Advisors and scholars will identify strengths and gaps and adjust plans. Interim assessments will be completed at the conclusion of both the first and second term.

At the end of each term, scholars will submit unofficial transcripts for upcoming academic term to ensure full-time enrollment (12-15 units) and alignment with 4-6 year degree completion goals. Advisors will verify enrollment via class schedules and completion of each term via transcripts.

OFCV will verify scholars' submission of Financial Aid Award packages for evaluations by advisors. OFCV will assess scholar's capture and optimization of local (scholarships), state (Cal-Grant) and federal (Pell Grant) financial aid, identify eligibility for additional financial aid, assist additional financial aid applications and address financial gaps.

At the end of each term, scholars will submit unofficial transcripts for unit completion and gpa evaluation. Advisors will evaluate transcripts, address gaps and develop success strategies.

All students will participate in OFCV's Leadership Program and related networking opportunities with industry professionals, such as workshops and internships to build skills, confidence and social capital for students. Student engagement and quality of services are measured through annual surveys and evaluations, including student testimonials.

Advisory council in partnership with DHCD will challenge local, state and national organizations to invest fund to support Black and African American students pursuing healthcare careers by offering scholarships, providing support services and expanding internship and employment opportunities.

*Proposed number of District residents to be served:*

**Total: 40**

*Proposed geographic area(s) served:*

Cathedral City  
Coachella  
Desert Hot Springs  
Indio  
La Quinta  
Mecca  
Palm Desert  
Palm Springs  
Rancho Mirage  
Thermal

**Progress This Reporting Period**

**Progress Outcomes:**

During this period, we gained momentum in several areas of our Black & African American (BAA) Healthcare Scholarship initiative. Our Advisory Committee has met monthly and provided solutions and guidance to address student and family challenges in navigating the postsecondary process. The committee created a Vision and Strategy for the initiative and continues to work on our Tactical Plan development that will be used to guide this initiative forward. We also reviewed all scholarship applications that were submitted and awarded a cohort of eleven (11) scholars that we will follow for the next two academic years. In addition, we held our inaugural BAA Scholarship Celebration in February, which included a scholar testimonial by one of our BAA Scholar's, Tearra Samuel, along with a keynote speech by one of our Advisory Committee Member, Dr. Judy White. The event was a great opportunity to celebrate our scholars, along with marketing the opportunity to future applicants, families and partners in attendance.

Since the selection of the scholars, OFCV's team has helped the scholars successfully enroll at their postsecondary institutions and access OFCV holistic student supports. This has included scheduling one-on-one meetings, review of scholar College & Career Plans, and creating short-term goals that support their long-term educational and career goals. Our team has also reviewed all scholars' Financial Aid Award packages and noticed that some scholars are accepting larger amounts of loans compared to other students in our program. OFCV Team has connected these scholars to our BAA Advisory Committee members who are experts on financial literacy, so that students

can develop a plan to manage and reduce debt. And finally, our team has also engaged scholars in our OFCV Student Midyear Summit where sessions on Academic Preparation, Financial Literacy, Professional Development and Mental Wellness were delivered. OFCV is on track with the DHCD grant deliverables and looks forward to providing updates on the BAA scholars in the coming months.

Progress on the number of District residents served:

**Total:** 2,000

Geographic area(s) served during this reporting period:

All District Areas

Progress on the Program/Project Goals:

**Goal #1:**

- Advisory Committee continued to meet on the 1st Thursday of every month
- Advisory Committee Members participated in scholarship application review
- Vision and Strategy created and affirmed by Advisory Committee:
  - Vision: Long-standing community health needs are being met as more Black and African American students become healthcare professionals and serve in the Coachella Valley. Black and African American students are encouraged to pursue health pathways and have access to the necessary resources to assure success through an intentional, sustained structure of support. The Coachella Valley healthcare system is truly representative of all communities served and the increased number of Black and African American health scholars and practitioners enriches and strengthens the healthcare delivery system overall. Generational health outcomes are improved and the whole community benefits from higher quality healthcare.
  - Strategy: Black and African American students are encouraged to pursue health pathways and have access to the necessary resources to assure success through an intentional, sustained structure of support. Emphasis will be placed on the most underrepresented and underserved population in our community.
- BAA Scholarship Initiative Tactical Plan development is underway
- Mentoring support for BAA Scholars is underway
- OFCV team is working with Motivate Lab to develop evaluation tools and identify best practices that support Black & African American students pursuing a postsecondary education.

**Goal #2:**

- September 2021: Due to low application submissions, and at the recommendation of the Advisory Committee, A "How to Apply" guide was

- created to simplify the application process.
- September 2021-February 2022: Applications were reviewed by advisory committee members and OFCV staff on a rolling basis. Scholars were selected with input from the advisory committee members, after review and candidate recommendations by OFCV's staff.
- October 2021: First group of scholarship recipients were awarded and notified
- October 2021: First group of scholars received their Student Award Agreements (SAA)
- February 2022: Final group of BAA scholars were awarded and notified
- February 2022: BAA Celebration recognized the eleven (11) scholarship recipients:
  - A total of twenty (20) students applied for the BAA Scholarship
  - A total of eleven (11) were awarded as the 2021-23 BAA Cohort
  - Seven (7) of the recipients are first in family to attend college
- Marketing: A Press Release & Social Media posts were created for scholar announcements and celebrations

### **Goal #3:**

- October 2021: BAA Scholar Orientation for first group of awardees
- November – February 2022: One-on-one individualized financial package review
- November- February 2022 - BAA Scholars completed their individualized College and College and Career Plans
- November – February 2022 - OFCV Team reviewed College and Career plan with scholars to set academic, financial and career goals.
- November 2021 - BAA scholars in their third year of college were invited to participate in Fall 2021 Bridge to Career Series: Super Powering Your Career.
- January 2022: BAA scholars were invited and participated in OFCV Scholar Midyear Summit
- Academic Progress:
  - Eleven (11) BAA scholars completed their first one-on-one academic and career planning meeting
  - Fall GPA: 3.4 average for the eleven (11) scholars award this 2021-22 academic year
  - Ten (10) scholars are enrolled full-time in college for Spring 2021-22 term
  - One (1) scholar is enrolled in less than 12 units this Spring, due to an extenuating health circumstance

### **Goal #4:**

- In October 2021, the Advisory Committee participated in a consensus activity to create a vision, goals and strategies and included components of a Sustainability Plan to support the BAA scholarship fund for the long-term.
- At the January 2022 meeting, the advisory committee discussed ideas on generating funding for the coming year and longer term.
- The advisory committee understands that they need to develop a plan that is

community based and supported, along with strategies that could tap into their networks to identify organizations and individuals who can contribute to the sustainability of the BAA scholarship fund:

- Potential sustainability working group members include Dr. Judy White and Donna Craig
- The goal is to raise \$100,000 annually for Black & African American Students in Healthcare. Among the ideas shared by the advisory committee was to request annual support from the foundations of each K-12 district. OFCV has met with DHCD, Eisenhower Health and Desert Care Network to discuss the development of a \$1 million annual healthcare scholarship fund that will include funding for the BAA scholars.

*Program/Project Tracking:*

- *Is the project/program on track? Yes*
- *Please describe any specific issues/barriers in meeting the desired outcomes:*
  - Timeline had to be extended through December 2021
  - Scholar selections took longer than anticipated, due to low application submissions
- *What is the course correction if the project/program is not on track?*
  - To ensure the BAA Scholarship initiative aligns with OFCV's annual scholarship cycle, the BAA application marketing, submission and review process will start earlier.
  - Fundraising efforts will focus on prioritizing multi-year scholarship awards for students, so that they may focus on their education and worry less about funding their postsecondary education. This will also streamline the application process and support student persistence and completion rates.
- *Describe any unexpected successes during this reporting period other than those originally planned:*

OCFV Team has had great success in engaging scholars and advisory committee members. This has resulted in committee members volunteering to review applications, speak at scholar events, assist with financial aid literacy, and recruit healthcare professionals to develop a mentoring program for our BAA scholars. Additionally, the committee members are assisting with marketing the BAA Healthcare Scholar initiative to students and families across the valley.



**Marthas Village And Kitchen Inc, Grant#: 1141**

**Martha's Village: Homeless Housing With Wrap-Around Services**

**Strategic Area:** Homeless

**Reporting Period:** 4/1/2021-3/31/2022

Matt Phillips

Tel: (760) 347-4741

Fax: (760) 347-9551

mphilips@marthasvillage.org

### **Grant Information**

**Grant Amount:** \$210,905

**Paid to date:** \$189,814

**Balance:** \$21,091

### **Proposed Goals and Evaluation**

**The specific benefits or measurable impact to be achieved by:** (3/31/2022)

**Evaluation Plan:** The foundation of Martha's evaluation plan is the Logic Model, which describes the need for Martha's services based on research and statistics in alignment with the project goal of cost-effectively serving homeless individuals throughout the DHCD's boundaries. The Logic Model describes projected quantitative outcomes, indicators of success, sources of Martha's data, the methods used to gather data, as well as the evaluation procedures used to measure outcomes. Specifically, monitoring and evaluating Martha's homeless housing, case management and wrap-around service activities will involve collecting and analyzing statistical records, including clients' intake data, program participation, client records, and demographic profiles.

Significantly, for this project, the evaluation will include examination of the impact of Martha's services in the expanded areas of Mecca and Desert Hot Springs. Martha's Employment Specialists and Case Managers are responsible for ensuring data collection and data entry into the Database. This qualitative assessment will include the number of homeless individuals served, the wrap-around services provided, and results of the services provided. Martha's will customize its services based on the needs of the individual client and will track results accordingly. (i.e. move into permanent housing, certificate achieved, completed courses, employment achieved, healthcare received, employment documents secured). Martha's will also provide opportunities for residents and individuals that receive wrap-around services to provide feedback through oral feedback and written surveys.

Martha's will harness the strength of its data and surveys to analyze the project's success in meeting its goals and objectives. Martha's staff utilize this data and information to inform strategic planning, day-to-day decisions, and ensure that DHCD is able to see the positive impact on its residents. Additionally, Martha's leadership will collect feedback and data from staff and partners on the impact of the program.

**Goal #1:**

Martha's will expand to provide 10 additional beds for homeless housing and wrap-around services at its main campus in Indio, during the term of the contract.

**Evaluation of goal #1:**

These new beds will serve 40 additional DHCD homeless individuals with emergency housing, case management, and wrap-around services annually resulting 3,650 shelter service bed nights. Martha's Case Managers and Employment Specialists will ensure 100% data collection with data entry into the Client Tracking Database with client assessments and units of service.

**Goal #2:**

Martha's will expand by securing a new location in Mecca. Martha's to provide case management with wrap-around services to include the additional enhancements of Employment Services, English as a Second Language Instruction and Computer Skills Training to 75 homeless or at risk of homeless individuals in the underserved area of Mecca.

**Evaluation of goal #2:**

Martha's Case Managers and Employment Specialists will ensure 100% data collection and data entry into our Client Tracking Database to include client assessments and units of service.

**Goal #3:**

Martha's will expand services in its Desert Hot Springs location. Martha's will expand services with case management with Wrap-Around Services, with its current Employment Services and Computer Skills Training to 75 homeless or at risk of homelessness individuals in the underserved area of Desert Hot Springs.

**Evaluation of goal #3:**

Martha's Case Managers and Employment Specialists will ensure 100% data collection and data entry into our Client Tracking Database to include client assessments and units of service.

**Goal #4:**

Martha's will build collaborations with a combination of a minimum of ten (10) nonprofits, community organizations and local government, in both the areas of Mecca and Desert Hot Springs. This effort will begin with scheduled listening meetings with the entities mentioned above to ensure the needs of the communities are met in the area of homeless and at risk of homelessness services.

**Evaluation of goal #4:**

Martha's Program Managers will track, report and monitor the progress of securing 10 new Community collaborations, while addressing discovered gaps in area services, such as food insecurity, employment, resources, housing, wellness, etc.

**Proposed number of District residents to be served:**

**Total:** 190

**Proposed geographic area(s) served:**

Cathedral City  
Coachella  
Desert Hot Springs  
Indio  
Indian Wells  
La Quinta  
Palm Desert  
Palm Springs  
Rancho Mirage  
Thousand Palms

**Final Progress:****Final Outcomes on Goals and Evaluation****Program/project final accomplishment(s) in comparison to the proposed goal(s) and evaluation plan.**

For the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen met all four goals as proposed. Martha's did not experience any barriers or issues in meeting project goals and even surpassed goals 1, 2, 3, and 4; please see below for goal outcomes and evaluation.

**Goal #1:**

Goal 1: Provide 10 beds, serve 40 additional DHCD clients, resulting in 3,650 shelter bed-nights annually.

For the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen expanded and provided ten (10) additional beds, served forty (40) additional clients from Desert Health Care District boundaries, resulting in 3,650 shelter bed nights.

**Evaluation of goal #1:**

Overall during the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen served 40 unduplicated homeless clients from Desert Health Care District boundaries resulting in 3,650 shelter bed nights.

100% of program participants that completed the program exited to permanent housing.

100% of the program participants had their basic needs such as food, clothing, case management, enhanced employment services, and a clean safe housing environment.

100% of program participants completed the HMIS enrollment and assessment process.

**Goal #2:**

Goal 2: Expand to DHS, and provide services to 75 clients of DHS.

For the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen expanded to Desert Hot Springs and provided services to seventy-five (75) unduplicated clients of Desert Hot Springs.

**Evaluation of goal #2:**

Overall during the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen provided case management with wrap-around services including enhanced Employment Services, English as a Second Language Instruction, and Computer Skills Training to a total of one hundred and ten (110) unduplicated clients of Desert Hot Springs. We proposed to serve 75 clients in the Desert Hot Springs area. We have found that there is a high need for services to the impoverished at risk of homelessness in Desert Hot Springs.

100% of the program participants were offered shelter, clothing, case management, enhanced employment services, and additional wrap-around services.

100% of homeless program participants completed the HMIS enrollment and assessment process.

\*\*\*It should be noted that on our last report we reported 37 clients served; this was an underreported goal, the reported number should have been 63 clients.

**Goal #3:**

Goal 3: Expand to Mecca, and provide services to 75 clients of Mecca.

For the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen expanded to Mecca and provided services to seventy-five (75) unduplicated clients of Mecca.

**Evaluation of goal #3:**

Overall during the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen provided case management with wrap-around services including enhanced Employment Services, English as a Second Language Instruction, and Computer Skills Training to a total of four hundred and sixty-three (463) unduplicated clients of Mecca. We proposed to serve 75 clients in the Mecca area. We have found that there is a high need for services to the impoverished at risk of homelessness in Mecca.

100% of the program participants were offered shelter, clothing, case management, enhanced employment services, and additional wrap-around services. Also provided

was assistance in securing medical coverage with support and review of related benefits and client annual renewal responsibilities.

100% of homeless program participants completed the HMIS enrollment and assessment process.

\*\*\*It should be noted that on our last report, we reported 37 clients served; there was a type-o the reported number should have been 271 clients.

#### **Goal #4:**

Goal 4: Build collaborations with 10 nonprofits, community organizations, and local governments in both Mecca and DHS.

For the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen built collaborations with the ten (10) organizations listed below in efforts to ensure the needs of the communities are met in the area of homeless and at risk of homelessness services to ensure addressing discovered gaps in area services, such as food insecurity, employment, resources, housing, equality, and wellness.

1. Office of the Assemblyman Eduardo Garcia (Mecca & Desert Hot Springs)
2. CRLA California Rural Legal Assistance (Mecca)
3. UFW United Farm Workers Association (Mecca)
4. Family Resource Center (Desert Hot Springs)
5. Community Access Center (Desert Hot Springs)
6. Find Food Bank (Mecca)
7. Galilee Center (Mecca)
8. Food Now (Desert Hot Springs)
9. Safe House of the Desert (Desert Hot Springs)
10. Coachella Valley Volunteers of Medicine (Desert Hot Springs)

#### **Evaluation of goal #4:**

Overall during the reporting period (4/1/2021-3/31/2022), Martha's Village and Kitchen created twenty-four (24) diverse partnerships between nonprofit organizations, government, and regional businesses for a common goal of assisting those in need.

The collaborative efforts of community partners in the Coachella Valley focused on housing, wrap-around services, and health services targeting the most underserved areas within the DHCD's boundaries.

#### **Additional Collaborative Partnerships:**

11. The Ranch Recovery Center (all areas of the Valley)
12. Clinicas de Salud del Pueblo (Mecca)
13. The Center (LGBTQ) (All Surrounding Areas)
14. Lift to Rise (All Surrounding Areas)
15. Community Action Partnership (All Surrounding Areas)
16. Sunline (All Surrounding Areas)

17. Community Access Center (Desert Hot Springs)
18. RIVCO Office of Aging (All Surrounding Areas)
19. Olive Crest (All Surrounding Areas)
20. The Barbara Sinatra Foundation (All Surrounding Areas)
21. Hope Program (All Surrounding Areas)
22. Mizel Senior Center (All Surrounding Areas)
23. Borrego Health All Surrounding Areas)
24. DSUSD Desert Sands Unified School District

Final number of District residents served:

**Total: 613**

Final geographic area(s) served:

Bermuda Dunes  
Cathedral City  
Coachella  
Desert Hot Springs  
Indio  
La Quinta  
Mecca  
Palm Desert  
Palm Springs  
Thousand Palms

### **Please answer the following questions**

1. Please describe any specific issues/barriers in meeting the proposed program/project goals:

Martha's Village and Kitchen did not experience any specific issues/barriers in meeting the proposed program/project goals.

2. Please describe any unexpected successes other than those originally planned

As noticed in the above evolutions Martha's experienced unprecedented success in both Desert Hot Springs and Mecca. As originally highlighted in our proposal, the expansion offered participants a customized basis, ensuring each individual was "employment ready", empowering them with the tools and resources to secure employment and increase their earning potential. Marthas also ensured all target populations within DHCD boundaries were provided with services and resources, but primarily four of the most underserved areas within the DHCD's boundaries; Mecca, Desert Hot Springs, Palm Springs, and Indio.

3. After the initial investment by the DHCD how will the program/project be financially sustained?

Martha's Village continues to seek long-term funding from other sources as the number of homeless and those at risk of homelessness soars in the Coachella Valley. What we have found is that State, County, and foundation funders that we would seek funds from are running six to eight months behind in releasing RFPs due to staffing issues and the release of funds to be awarded.

Martha continues to fundraise, seeking community donations.

4. List five things to be done differently if this project/program were to be implemented again
  1. Ensure that staff is fully trained in the new CalAim process – we are currently seeking this training as it is necessary to provide the best service to clients related to medical services.
  2. Increase outreach in all areas of the Valley in the area of Homeless Youth (18 to 24 years old) with well-developed resources and support needed to appeal to this age group. They are lacking in the area of knowledge related to medical coverage and housing.

Also needing increased outreach is to the LGBTQ homeless and at-risk the homeless population who have unique needs. We are developing a relationship with The Center (LGBTQ).

3. Increase resources for Senior Homeless and at Risk of Homeless – Instate best practices and collaborations as it is noted that this age range and need is growing – based on fixed income and medical needs.
4. Develop a 3 or 4-month homeless day cooling center in DHS in conjunction with our case management and employment services. Currently, DHS does not have a cooling center with services during the months of extreme and deadly heat. We are seeking funds for this needed expansion.
5. The population served is noted to be resistant to the COVID vaccine - We will continue to provide information and support daily; we have found that over time staff builds trust during repeated interaction with the homeless and impoverished, resulting in their resistance lessening.

**Mizell Center, Grant#: 1174**

## **Geriatric Case Management Program**

**Strategic Area:** Vital Human Services to People with Chronic Conditions

**Reporting Period:** 4/1/21-3/30/22

Harriet Baron

Tel: (760) 323-5689

Fax: (760) 320-9373

harrietb@mizell.org

### **Grant Information**

**Grant Amount:** \$100,000

**Paid to date:** \$90,000

**Balance:** \$10,000

### **Proposed Goals and Evaluation**

**The specific benefits or measurable impact to be achieved by:** (3/31/2022)

#### **Evaluation Plan:**

Evaluation will be conducted by the Director of Geriatric Case Management. Mizell will measure success by achievement of benchmarks, objectives and positive program outcomes. Benchmarks include number of unduplicated clients participating in the program; number of clients receiving assessments; number of clients receiving case plans; achievement of goals identified in case plan; and linkage to needed services and resources either at the Mizell Center or through regional continuum of care partners. The Director of Geriatric Case Management, Geriatric Case Manager, and Program Support Coordinator track quantitative and qualitative data utilizing an Excel spreadsheet and/or in case notes in client files. Quantitative data includes gender, age, zip code, household income, number in household, ethnicity, marital status, living situation, language spoken, the number of case management sessions attended, and other data. Qualitative data and outcome indicators tracked include completed client assessments; completed case plans with identification of goals, barriers, and needed services and resources; achievement of case plan goals; resource/service linkages; and a measurable increase in service to communities of color. Additional outcome indicators include client self-reporting of improvement in quality of life, reduction in isolation, and increase in service access as measured by surveys administered by program staff on a pre/post basis. Progress notes are maintained in confidential client files. Client satisfaction surveys in English and Spanish are administered annually or upon program exit. Information is used to develop an action plan addressing necessary changes to programs, services, and administrative operations. Program results are analyzed by



staff under the direction of the Director of Geriatric Case Management and reported monthly to the Executive Director and at regular intervals to the Board of Directors. All data is kept in secure, HIPAA-compliant electronic and printed client files that are maintained in locked cabinets with restricted access to authorized personnel only.

**Goal #1:** By February 28, 2022, a minimum of 173 predominantly low-income older District residents age 62 and above with chronic health conditions, including 20% from Coachella Valley's Latinx and African American communities, will have received an assessment by Mizell Center's Geriatric Case Managers to evaluate service and resource needs and identify barriers to services.

**Evaluation of goal #1:** The Director of Geriatric Case Management will monitor and track progress towards achieving the goal in conjunction with the Geriatric Case Manager and Program Support Coordinator, and under supervision of the Executive Director. The Coordinator will track quantitative data, including ethnicity/race, age, household income, number in household, language, and zip code in an Excel spreadsheet. Qualitative data will include the number of case management sessions attended and completion of assessment on file. To ensure achievement of program enrollment from minority communities, staff will monitor client enrollment by ethnicity/race and increase outreach activities as required to senior and community centers in Cathedral City, Indio, Thermal, Coachella, and Mecca, and the James O. Jessie Desert Highland Unity Center in North Palm Springs. Staff will conduct annual client satisfaction surveys in English and Spanish to elicit qualitative feedback, including open-ended questions regarding program experience. Results will be presented to the Executive Director and Board and will be utilized to develop a plan of action to implement quality improvement in programs and services. The requested grant funding will service 173 clients, 58% of the projected 300 program clients to be served by Mizell during the 12-month grant period.

**Goal #2:** By February 28, 2022, a minimum of 87 predominantly low-income older District residents age 62 and above with chronic health conditions will achieve a minimum of one goal identified in the Case Plans developed in collaboration with Mizell Center Geriatric Case Managers that identify short and long-term needs, goals, an action plan and timeline for achieving goals.

**Evaluation of goal #2:** Director of Geriatric Case Management will track and monitor goal progress on an ongoing basis in conjunction with Geriatric Case Manager and Program Support Coordinator. Program staff will track clients' achievement of goals in Excel spreadsheet and in case notes on file. Quantitative data tracked include number of case management sessions attended by clients and updated case plans on file. Qualitative data tracked include completion of clients' case plans, incorporating identification of clients' physical and behavioral health, financial, and quality of life goals; and number of goals achieved. Qualitative data and outcome indicators include percentage of clients meeting at least one identified service gap via achievement of goal, and percentage of clients reporting increased social service access, decreased isolation, and improved quality of life. Staff will conduct annual client satisfaction

surveys in English and Spanish to elicit qualitative feedback, including open-ended questions regarding program experience. Results will be presented to Executive Director and Board and will be utilized to develop a plan of action to implement quality improvement in programs and services. Grant funds will service 87 clients, 58% of projected 150 program clients targeted to achieve this goal during 12-month grant period.

**Goal #3:** By February 28, 2022, a minimum of 87 predominantly low-income older District residents age 62 and above with chronic health conditions will have been linked to a minimum of three services or resources identified in their Case Plan, including medical and/or behavioral health services, housing and financial assistance, benefits counseling, transportation access, caregiver support, and other needs.

**Evaluation of goal #3:** Director of Geriatric Case Management will monitor and track progress towards goal achievement in conjunction with Geriatric Case Manager and Program Support Coordinator. Program staff will track clients' achievement of goals in Excel spreadsheet and/or case notes on file. Quantitative data tracked include number of case management sessions clients attend and updated case plan on file. Qualitative data include identification of clients' needed services and resources assessed in case plans, including medical and/or behavioral health services, housing and financial assistance, benefits counseling, transportation access, caregiver support, and others; identification of potential providers to meet needs; identification of services or resources and providers to which clients are linked; and ongoing monitoring to ensure clients access services. Staff will conduct annual client satisfaction surveys in English and Spanish or upon program exit to elicit qualitative feedback, including improvement in quality of life, increased access to services, and open-ended questions regarding program experience. Results will be presented to Executive Director and Board and utilized to develop plan of action to implement quality improvement in programs and services. Grant funds will service 87 clients, 58% of projected 150 program clients targeted to achieve goal during grant period.

*Proposed number of District residents to be served:*

**Total:** 173

*Proposed geographic area(s) served:*

Cathedral City  
Coachella  
Desert Hot Springs  
Indio  
Mecca  
North Shore  
Palm Desert  
Palm Springs  
Rancho Mirage  
Thermal

## **Final Progress:**

### **Program/project final accomplishment(s) in comparison to the proposed goal(s) and evaluation plan.**

The Director of Geriatric Case Management, who built the program along with one Geriatric Case Manager, exceeded our goal of serving 173 clients by 60%, having worked with 289 clients as of March 31, 2022. This accomplishment is the result of a multiplicity of factors.

Our Geriatric Case Management program, now broadly recognized, has earned its credibility through relationship building and results. Our partnerships have deepened with the senior centers in Desert Hot Springs, Cathedral City, Palm Desert and Indio as we assist their members via regularly scheduled “office hours” in those locations. After only a few months, clients were referring their friends to the program. And, our bilingual Geriatric Case Manager will soon be scheduling weekly visits in the Thermal and Coachella seniors centers. These relationships were key in establishing a profile for this program within the senior community.

The staff has worked diligently to cultivate relationships and establish credibility with local and County agencies such as Adult Protective Services, Lift to Rise, the Riverside County Housing Authority, Jewish Family Services, Coachella Valley Association of Governments and the Palm Desert Housing Authority, to name a few.

Our staff is committed to working with and for their clients until goals have been met, whether it takes days, weeks or months. Their service is distinguished by the depth of their partnership with their clients and their resourcefulness in helping them to achieve their goals.

#### **Goal #1: Progress of Goal #1**

By February 28, 22, 2022, a minimum of 173 predominately low income older District residents age 62 and above with chronic health conditions, including 20% from Coachella Valley’s Latinx and African American communities, will have received an assessment by Mizell Center’s Geriatric Case Managers to evaluate service and resources needs and identify barriers to service.

The Mizell Center is pleased to report that we have exceeded the minimum standards outlined in Goal #1. Our Geriatric Case Managers have enrolled a total of 289 clients, age 62 and above.

Of the 282 clients for whom we have a verifiable age:

- 99 people are between the ages of 62 and 69
- 110 people are between the ages of 70 and 79
- 63 people are between the ages of 80 and 89
- 10 people are age 90 and older

Further, 66 identified as Hispanic (22.8), 21 identified as Black (7.2%), and 87.5% are low income or very income residents. As noted in their assessments, clients are coping with chronic health conditions such as obesity, diabetes, high blood pressure, arthritis, fibromyalgia, heart disease, neuropathy, mental illness and disability, with many suffering from comorbidities.

### **Evaluation of goal #1:**

A detailed Client Tracking spreadsheet was developed and is utilized by the Director of Geriatric Case Management and the Case Manager to record and monitor demographic information, including income status. Quantitative data tracked includes the number of case management sessions in which the client has participated, the number of goals that were mutually set during the initial intake assessment and the number of goals completed.

Qualitative data tracked includes the clients' race, ethnicity, age, income level, the language they speak and their zip code. Also included is the date we either handed out or mailed out our Client Satisfaction survey. A small number of clients (less than 3%) do not have home addresses to which mail can be delivered. That, too, has been noted on the spreadsheet

Combined, all of this information provides a clear picture of who we are serving and if we have met the goals we set for ourselves in terms of working with a diverse population of predominately low income seniors.

### **Goal #2:**

Our Case Managers develop Case Plans with their clients as a full partner, identifying and agreeing on achievable goals and realistic timelines. To date, 279 predominately low-income District residents, age 62+ with chronic health condition have achieved one goal identified in their Case Plans.

96 have achieved 1 goal  
71 have achieved 2 goals  
91 have achieved 3 goals  
10 have achieved 4 goals  
8 have achieved 5 goals  
2 have achieved 6 goals  
1 has achieved 7 goals

### **Evaluation of goal #2:**

Over the course of the past year, housing assistance has emerged as the single most compelling issue and the one that is most requested. Our Case Managers have worked with clients were homeless or on the verge of becoming homeless, who were experiencing housing insecurity and/or who were seeking affordable assisted living facilities.

Behavioral health referrals were made to DAP Health and Jewish Family Services.

Our Case Managers develop Case Plans with their clients as a full partner, identifying and agreeing on achievable goals and realistic timelines. To date, 279 predominately low-income District residents, age 62+ with chronic health condition have achieved one goal identified in their Case Plans.

96 have achieved 1 goal  
71 have achieved 2 goals  
91 have achieved 3 goals  
10 have achieved 4 goals  
8 have achieved 5 goals  
2 have achieved 6 goals  
1 has achieved 7 goals

These achievements are function of many factors, including the availability of resources online that enable our Case Managers to facilitate the delivery of services for their clients more quickly and without the imperative of a face-to-face meeting. These include utility assistance, enrollment in food assistance programs such as SNAP and assistance with social security and Medicare/Medi-Cal benefits

**Goal #3:**

We have linked 109 predominately low-income older District residents age 62+ with chronic health conditions to three services or resources identified in their Case Plans, including medical and/or behavior health services, housing and financial assistance, benefits counseling, transportation access, caregiver support, In-Home Supportive Services

**Evaluation of goal #3:**

As noted, our Director of Case Management and Case Manager have meticulously documented pertinent demographic information regarding their clients, the number of sessions they've met (in our case, ranging from 1 - 55) the number of goals set and the number of goals achieved.

A Client Satisfaction Survey is always given to a client either when they've reached their goals and are about to cycle out of the program or upon voluntary termination prior to the achievement of all of their goals. Responses are being compiled and will be presented to the Executive Director and Board for review prior to FY 2022-23.

Final number of District residents served:

**Total:** 289

**Please answer the following questions**

1. Please describe any specific issues/barriers in meeting the proposed program/project goals:

While there were certainly challenges, we did not experience barriers to meeting our program goals. The need in the Coachella Valley is such, that our Case Managers were welcomed into Valley senior and community centers serving our target population. Clients referred other clients and reciprocity quickly developed between our Meals on Wheels and Case Management programs.

Finding a space for two additional staff members was somewhat challenging, but finding a private space to meet with their clients has been daunting, at times. Weather permitting, we've utilized our significant outdoor space and will be looking to create a dedicated space for this purpose as time goes on.

2. Please describe any unexpected successes other than those originally planned

The ease with which we were able to establish partnerships with so many every senior center in Valley has been remarkable and a tremendous boon to the program. Space was made available for our Case Managers and, in some cases, senior center staff are promoting and marketing Case Management to engage additional clients.

Candidly, our Case Managers were surprised that they had been able to serve 289 clients in the space of 12 months. They leaned into their strengths, developed streamlined processes to document their clients' progress and made great use of their time.

The quality of services provided and the reliability of our staff not only created trust between the case Managers and their clients, it served to strengthen relationships with other service providers. The Riverside County Housing Authority refers their Section 8 housing clients to our Case Management team for the recertification process.

3. After the initial investment by the DHCD how will the program/project be financially sustained?

We have recently been notified of the fulfillment of a \$52,875 grant request from the Houston Family Foundation. They have funded two previous grant requests.

We have received confirmation from the Riverside County Office on Aging regarding the availability of funding in the FY 2022-23 that will be designated for Case Management services. We will be submitting a proposal once the RFP has been issued and believe we are well positioned to receive County funds to not only support, but to also expand our program beginning in July, 2022.

4. List five things to be done differently if this project/program were to be implemented again Based on the past year's experiences:

- 1) Allocate funding for tablets and/or laptops for when Case Managers are working in the field; we didn't expect to establish a presence within the Valley's seniors centers as quickly and easily as we did
- 2) Identify online training resources for staff, e.g., specialized training in social security and Medicare/Medi-Cal
- 3) Market to the affordable housing senior communities to extend services to their residents; we are making inroads currently, but would have incorporated this into the initial marketing plan if we had it to do over
- 4) Increase the travel reimbursement line item in the budget; our Case Managers are on the move far more than we anticipated
- 5) We would have taken more time before program initiation to create an accessible description of the concept of Case Management for prospective clients. It's a term that does little to actually describe its intended purpose. It took us more time than expected to develop the language that connects with our target demographic, as well with prospective funders.

**BOARD AND STAFF COMMUNICATIONS & POLICIES COMMITTEE MEETING**  
**MEETING MINUTES**  
**June 15, 2022**

<b>Directors Present</b>		<b>District Staff Present</b>	<b>Absent</b>
Chair/Director Leticia De Lara, Chair Vice-President Evett PerezGil Director Les Zendle, MD		Conrado E. Bárzaga, MD, CEO Chris Christensen, CAO Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Eric Taylor, Accounting Manager Andrea S. Hayles, Clerk of the Board	

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>I. Call to Order</b>	The meeting was called to order at 1:01 p.m. by Chair De Lara.	
<b>II. Approval of Agenda</b>	Chair De Lara asked for a motion to approve the agenda.	<b>Moved and seconded by Director Zendle and Vice-President PerezGil to approve the agenda. Motion passed unanimously.</b>
<b>III. Meeting Minutes</b>	Chair De Lara asked for a motion to approve the March 15, 2022, meeting minutes.	<b>Moved and seconded by Vice-President PerezGil and Director Zendle to approve the March 15, 2022, meeting minutes. Motion passed unanimously.</b>
<b>IV. Public Comment</b>	Brad Anderson, Rancho Mirage Resident, provided a written public comment attached to the committee meeting minutes and described his public comment concerning the May 24 closed session.	
<b>V. Old Business</b>	There was no Old Business to report.	
<b>IV. New Business – Existing Policy Revisions</b>  <b>a. Policies</b> <b>1. Desert Healthcare Foundation Bylaws</b>	Chris Christensen, CAO, described the Foundation Bylaws revisions. The committee requested a clarification on the modifications to Article IV. Section 5.b. from legal counsel, as a result of being included in the District bylaws.	<b>Moved and seconded by Director Zendle and Director De Lara to approve the Desert Healthcare Foundation Bylaws with a recommendation of approval to forward to the Board and include a comment for Article IV. Section 5.b. Motion passed unanimously.</b>



**BOARD AND STAFF COMMUNICATIONS & POLICES COMMITTEE MEETING**  
**MEETING MINUTES**  
**June 15, 2022**

<p><b>2. Stipend Ordinance No. 22-01 &amp; Resolution No.22-12</b></p>	<p>Chris Christensen, CAO, described the stipend and compensation revisions presented at the May board of directors meeting that required a public notice publication and a stipend ordinance to increase the stipend by 5%, and a resolution established from legislation for up to six (6) meetings per month per director.</p> <p>Public Comment: Brad Anderson, Rancho Mirage, Resident, provided a written and verbal public comment to the stipend ordinance that is attached to the minutes.</p>	<p><b>Moved and seconded by Director Zendle and Vice-President PerezGil to approve Stipend Ordinance No. 22-01 &amp; Resolution No.22-12 and to forward to the Board for approval.</b> <b>Motion passed unanimously.</b></p>
<p><b>3. Policy #BOD-21 – Meeting &amp; Insurance Compensation</b></p>	<p>Chris Christensen, CAO, described the modifications to the meeting and insurance compensation from \$10,000 per year to \$10,600 per year. The committee requested clarification that includes only eligible dependent children of each director.</p>	<p><b>Moved and seconded by Director Zendle and Vice-President PerezGil to approve Policy #BOD-21 – Meeting &amp; Insurance Compensation and to forward to the Board for approval, including revised language for only eligible dependent children of each director.</b> <b>Motion passed unanimously.</b></p>
<p><b>4. Policy #BOD-18 – Ticket Distribution</b></p>	<p>Chris Christensen, CAO, described the minor changes to the ticket distribution policy.</p>	<p><b>Moved and seconded by Director Zendle and Vice President PerezGil to approve Policy #BOD-18 – Ticket Distribution and to forward to the Board for approval.</b> <b>Motion passed unanimously.</b></p>

**BOARD AND STAFF COMMUNICATIONS & POLICIES COMMITTEE MEETING**  
**MEETING MINUTES**  
**June 15, 2022**

<p><b>5. Policy #FIN-02 – Authorized Check Signers, Signers, Dollar Limits, and Transfer of Funds</b></p>	<p>Chris Christensen, CAO, described the modification to the authorized check signers to a minimum of four (4) board members, and the addition of language to the transfer of funds.</p>	<p><b>Moved and seconded by Director Zendle and Vice-President PerezGil to approve Policy #FIN-02 – Authorized Check Signers, Signers, Dollar Limits, and Transfer of Funds and to forward to the Board for approval.</b> <b>Motion passed unanimously.</b></p>
<p><b>6. a. Policy #FIN-03 Statement of Investment Policy</b> <b>b. Resolution No.22-13 – Investment Policy</b></p>	<p>Chris Christensen, CAO, described minor changes to the statement of investment policy, and the resolution that accompanies the policy for FY 2022-2023.</p>	<p><b>Moved and seconded by Director Zendle and Vice-President PerezGil to approve Policy #FIN-03 Statement of Investment Policy and Resolution and No.22-13 – Investment Policy to forward to the Board for approval.</b> <b>Motion passed unanimously.</b></p>
	<p>Public Comment: Brad Anderson, Rancho Mirage, Resident, provided a written and verbal public comment on Policy #FIN-03 and Resolution No 22-13, which is attached to the minutes.</p>	
<p><b>7. Policy #FIN-05 Credit Card Usage</b></p>	<p>Chris Christensen, CAO, described the changes to the credit card usage policy.</p>	<p><b>Moved and seconded by Director Zendle and Director De Lara to approve Policy #FIN-05 Credit Card Usage and to forward to the Board for approval.</b> <b>Motion passed unanimously.</b></p>
<p><b>b. Remote Work Agreement</b></p>	<p>Chris Christensen, CAO, described the pandemic aspects of the temporary COVID remote work and transitioning to the new remote work agreement beyond COVID.</p>	<p align="center"><b>Informational Item</b></p>

**BOARD AND STAFF COMMUNICATIONS & POLICIES COMMITTEE MEETING**  
**MEETING MINUTES**  
**June 15, 2022**

<b>VI. Future Topics &amp; Issues</b>	There were no future topics or issues.	
<b>VII. Adjournment</b>	Chair De Lara adjourned the meeting at 3:50 p.m.	<b>Audio recording available on the website at</b> <a href="https://www.dhcd.org/Agendas-and-Documents">https://www.dhcd.org/Agendas-and-Documents</a>

ATTEST: \_\_\_\_\_  
Leticia De Lara, Chair/Director  
Board and Staff Communications & Policies Committee

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



Date: June 28, 2022  
To: Board of Directors  
Subject: Remote Work Agreement

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**Staff Recommendation:** Information item

**Background:**

- In March 2020 when the COVID-19 pandemic began, the District office was closed.
- Since then, staff has been working remotely under Temporary COVID-19 Remote Work Policy.
- Staff quickly made the adjustments and adapted to working remotely, with limited work at the main office, efficiently and effectively completing duties and responsibilities.
- The Temporary COVID-19 Remote Work Policy remains in affect during the continued virus spikes in Riverside County and the Coachella Valley.
- As it becomes safe to transition beyond the Temporary COVID-19 work policy, a new Remote Work Agreement has been developed with assistance from the District's HR consultant, Maggie Martinez.
- Staff will be able to continue with remote working with the same level of efficiency and effectiveness.
- The office will be open during normal business hours, staffed accordingly, to welcome guests and receive parcels and deliveries.
- The Remote Work Agreement is included in the packet for your review.

**Fiscal Impact:**

None



**DESERT HEALTHCARE**  
**DISTRICT & FOUNDATION**

# Remote Work Agreement

Employee Name	
Name of Supervisor	

## Telework Schedule

Telework Schedule	_____ days per week OR _____ days per month
Telework Hours	_____ a.m. to _____ p.m.

\_\_\_\_\_ I acknowledge that my telework schedule may not be changed without prior written approval from the CAO.

\_\_\_\_\_ I acknowledge that requests to work overtime, utilize sick leave, request time off, or request a leave of absence must be approved by my immediate supervisor in the same manner as when working in the District's office.

\_\_\_\_\_ I acknowledge that if I am sick on a remote workday, I am required to report the hours worked, and I must use sick leave or other accrued time to cover the hours not worked.

\_\_\_\_\_ I acknowledge that my remote work location is considered an extension of the District's workspace, and that the District's workers' compensation liability for job-related accidents or injury will apply during my established telework hours.

\_\_\_\_\_ I acknowledge that I am liable for injuries to any third parties or members of my family, guests, or others present at the telework location.

\_\_\_\_\_ I acknowledge that I am responsible for designating a workspace for the installation of equipment to be used while teleworking. I agree to maintain the space in a safe condition, free of hazards and other dangers to myself and to District equipment.

## Telework Equipment & Supplies

\_\_\_\_\_ I acknowledge that any equipment provided by the District for the purpose of facilitating telework may only be used by me for purposes relating to only to District business.

\_\_\_\_\_ I acknowledge that I may need to use my own equipment, if the District does not issue equipment.



# Remote Work Agreement

Telework Agreement	Employee Name:
Page 2 of 3	

\_\_\_\_\_ I acknowledge that I am responsible for the repair and maintenance of any personal equipment that I provide to support remote work.

\_\_\_\_\_ I acknowledge that if I am issued District equipment, I am responsible for ensuring that all District equipment is used properly and that the District will provide repair for District equipment as needed.

\_\_\_\_\_ I acknowledge that in the event of any delay in repair or replacement of District equipment, or other circumstances that would make it impossible for me to work remotely, my supervisor or management may assign other work or request that I return to the District Office until the issue(s) is resolved.

\_\_\_\_\_ I acknowledge receipt of the following District equipment to support my telework.

Item:	Item:
Item:	Item:
Item:	Item:

\_\_\_\_\_ I acknowledge that I will “check out” all supplies needed to support my telework assignment.

## **Expenses Related to Telework**

\_\_\_\_\_ I acknowledge that the District will not pay for, or reimburse, the following expenses:

- Maintenance or repairs of privately owned equipment
- Utility costs associated with the use of electronics
- Costs associated with the occupation of the home / offsite work location
- Travel expenses associated with commuting to the District office
- Out of pocket expenses for supplies that are regularly available at the District office (unless approved in advance and in writing by the CAO).



# Remote Work Agreement

Telework Agreement	Employee Name:
Page 3 of 3	

## Telework Provisions

\_\_\_\_\_ I acknowledge that the Telework assignment is entirely voluntary and may be terminated by me or the District; the rationale for termination by the District will be provided in writing.

\_\_\_\_\_ I acknowledge that the duties, obligations, responsibilities, and conditions of my employment with the District are unchanged; I also acknowledge that my salary, retirement, benefits, and District-sponsored insurance coverage are unchanged.

\_\_\_\_\_ I acknowledge that work hours and overtime compensation must conform to the law.

\_\_\_\_\_ I acknowledge that individual tax implications related to telework are my responsibility, and I understand that any questions in this regard should be posed to a tax expert, at my expense.

## Final Acknowledgements

\_\_\_\_\_ I acknowledge that I remain obligated to comply with all District rules, policies, procedures, practices, and instructions. Violation of the District's policies may result in preclusion from telework and/or disciplinary action, up to and including termination of employment.

\_\_\_\_\_ I acknowledge that telework is not intended as a substitute for providing care of adult dependents or children and that I must make regular arrangements for the care of dependent adults or children.

Employee Name	
Signature	
Date	

CAO Name	
Signature	
Date	