



**DESERT HEALTHCARE DISTRICT
BOARD MEETING
Board of Directors
May 23, 2023
5:30 P.M.**

Regional Access Project Foundation
Conference Room 103
41550 Eclectic Street
Palm Desert, CA 92211

This meeting is handicapped-accessible

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

<https://us02web.zoom.us/j/88671987917?pwd=T29iRktfDZIRDM3ITbmJDWkFiMnVMdz09>
Password: 355860

Members of the public can also participate by telephone, using the following dial in information:

(669) 900-6833 or Toll Free (833) 548-0282
Webinar ID: 886 7198 7917
Password: 355860

You may also email ahayles@dhcd.org with your public comment no later than 4 p.m., Tuesday, 05/23

Page(s)	AGENDA	Item Type
	<i>Any item on the agenda may result in Board Action</i>	
	A. CALL TO ORDER – President PerezGil Roll Call Director Barraza____Director De Lara____ Director Zendle, MD____Director Shorr____ Secretary Rogers, RN____ Vice-President Zavala, PsyD____President PerezGil	
	B. PLEDGE OF ALLEGIANCE	
1-4	C. APPROVAL OF AGENDA	Action
	D. PUBLIC COMMENT 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. The Board has a policy of limiting speakers to no more than three minutes. 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.	



E. CONSENT AGENDA

Action

All Consent Agenda item(s) listed below are considered routine by Board of Directors and will be enacted by one motion. 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.

- 5-6**
7-13

1. BOARD MINUTES

 - a. Special Meeting of the Board of Directors – April 18, 2023
 - b. Board of Directors Meeting – April 25, 2023
- 14-38**

2. FINANCIALS

 - a. Approval of the April 2023 Financial Statements – F&A Approved May 10, 2023
 - b. FY23-24 Annual Budget
- 39-55**

3. AGREEMENTS

 - a. Addendum #4 to Consulting Services Agreement – Magdalena Martinez – HR Consultant – 3% increase - \$955/month
- 56-57**

4. LAS PALMAS MEDICAL PLAZA

 - a. Las Palmas Medical Plaza Security Plan – Green Security Solutions Proposal NTE \$144,000 Annually (\$36k decrease in cost)
- 58-64**

5. GRANT

 - a. Grant #1392 Galilee Center – Galilee Center Extended Shelter – \$268,342 one-year term – Goal #2 Access to Primary and Specialty Care; Strategy 2.7 Increase equitable access to primary and specialty services and resources in underserved communities in CV; Strategy 5.1 Reduce the negative impacts of social determinants of health on homelessness in CV
- 65-88**

 - b. Grant #1391 Lift To Rise – Driving Regional Economic Stability Through Collective Impact – \$900,000 over a 3-year term – Goal #5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis) – Strategies 5.1, 5.2, 5.3, and 5.4
- 89-114**



	F. DESERT HEALTHCARE DISTRICT CEO REPORT	
	– Conrado E. Bárzaga, MD, Chief Executive Officer	
115-160	1. Fair Market Value Analysis of Desert Regional Medical Center – Colin McDermott, VMG Health	Action
	2. 75 th Anniversary – History Book Release Reception	Information
	3. Recertification Update – Association of California Healthcare Districts (ACHD) and California Special Districts Association (CSDA)	Information
	4. Activate Inclusion Completed Board DEI Training – Next Steps	Information
161-162	5. Special Meeting of the Board Self-Assessment	Information
	6. Our Epidemic of Loneliness and Isolation 2023 – The U.S. Surgeon General’s Advisory on the Healing Effects of Social Connection and Community https://www.hhs.gov/sites/default/files/surgeon-general-social-connection-advisory.pdf	Information
163-165	7. CEO Community Engagements and Media Visibility	Information
	G. DESERT REGIONAL MEDICAL CENTER CEO REPORT	Information
	– Michele Finney, CEO	
	H. DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD MEETING – President Evett PerezGil and Director Les Zendle, MD	Information
	I. COMMITTEE MEETINGS	
	1. PROGRAM COMMITTEE – Chair/President Evett PerezGil, Vice-President Carmina Zavala, PsyD, and Director Leticia De Lara	
166-170	a. Draft Meeting Minutes – May 09, 2023	Information
171-197	b. Progress and Final Reports Update	Information
198-199	c. Grant applications and Request for Proposals Submitted and Under Review	Information
200	d. Grant Payment Schedule	Information
	2. FINANCE, LEGAL, ADMINISTRATION & REAL ESTATE COMMITTEE – Chair/Treasurer Arthur Shorr, Vice-President Carmina Zavala, PsyD, and Director Leticia De Lara	
201-205	a. Draft Meeting Minutes – May 10, 2023	Information
206-229	b. Las Palmas Medical Plaza – New Lease – Suite #2W102 – Howard Aaron Aronow, M.D., Inc. – 2-Years and 3-Months	Action
	J. LEGAL	
	K. IMMEDIATE ISSUES AND BOARD COMMENTS	
	L. ADJOURNMENT	



The undersigned certifies that a copy of this agenda was posted in the front entrance to the Desert Healthcare District offices located at 1140 North Indian Canyon Drive, Palm Springs, California, and the front entrance of the Desert Healthcare District office located at the Regional Access Project Foundation, 41550 Eclectic Street, Suite G 100, Palm Desert California at least 72 hours prior to the meeting. If you have a disability which requires an accommodation to enable you to participate in this meeting, please email Andrea S. Hayles, Special Assistant to the CEO and Board Relations Officer, at ahayles@dhcd.org or call (760) 567-0298 at least 72 hours prior to the meeting.

Andrea S. Hayles

Andrea S. Hayles, Board Relations Officer



**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
April 18, 2023**

Directors Present	District Staff Present	Absent
President Evett PerezGil Vice-President Carmina Zavala, PsyD Secretary Carole Rogers, RN Director Les Zendle, MD Director Leticia De Lara, MPA Director Kimberly Barraza	Andrea S. Hayles, Board Relations Officer	Treasurer Arthur Shorr

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order Roll Call	President PerezGil called the meeting to order at 5:37 p.m. The Clerk of the Board called the roll with all directors present except Director Shorr.	
B. Pledge of Allegiance	President PerezGil led the Pledge of Allegiance.	
C. Approval of Agenda	President PerezGil asked for a motion to approve the agenda with the remote participation of Director De Lara.	#23-16 MOTION WAS MADE by Director Zendle and seconded by Vice-President Zavala to approve the agenda and Director De Lara’s virtual attendance. Motion passed unanimously. AYES – 6 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Zendle, Director De Lara, and Director Barraza NOES – 0 ABSENT – 1 Director Shorr
D. Public Comment	There were no public comments.	
E. Diversity, Equity, and Inclusion Training 1. DEI Training, Sindri Anderson, Senior Consultant Managing Member Coach, Activate Inclusion	Sindri, Anderson, Senior Consultant Managing Member Coach, Activate Inclusion, conducted the DEI training and provided an overview of the topics for the three sessions.	



**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
April 18, 2023**

F. Immediate Issues and Board Comments	There were no immediate issues and board comments.	
G. Adjournment	President PerezGil adjourned the meeting at 7:30 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents

ATTEST: _____
Carole Rogers, RN, Secretary, Board of Directors
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer

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**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
April 25, 2023**

Directors Present	District Staff Present	Absent
President Evett PerezGil Vice-President Carmina Zavala, PsyD Secretary Carole Rogers, RN Treasurer Arthur Shorr Director Les Zendle, MD Director Leticia De Lara, MPA – Virtual Director Kimberly Barraza	Conrado E. Bázquez, 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 Andrea S. Hayles, Board Relations Officer <u>Legal Counsel</u> Jeff Scott	

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order	President PerezGil called the meeting to order at 5:38 p.m.	
Roll Call	The Clerk of the Board called the roll with all directors present.	
B. Pledge of Allegiance	Director Zendle led the pledge of allegiance.	
C. Approval of Agenda	President PerezGil asked for a motion to approve the agenda with the virtual participation of Director De Lara and pulling item E.1. from the Foundation to the District.	#23-17 MOTION WAS MADE by Director Zendle and seconded by Director Barraza to approve the agenda with Director De Lara’s virtual participation and pulling item E.1. from the Foundation to District. Motion passed unanimously. AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, Director Barraza NOES – 0 ABSENT – 0

DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
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<p>Mobile Medical Unit – Examinations, Vaccinations, and Site Visits – Gemma Kim, MD, Desert Physicians Medical Group Health (DPMG)</p>	<p>Conrado Bárzaga, MD, CEO, introduced Gemma Kim, MD, Desert Physicians Medical Group Health (DPMG), who provided an overview of the mobile unit operations with an increase of visits in January and March, highlighting the May schedule, hospital volunteers, collaborations, school physicals and cardiologist with imaging and the consideration of mental health in the future.</p>	
<p>D. Public Comment</p>	<p>There were no public comments.</p>	
<p>E. Consent Agenda</p> <p>1. BOARD MINUTES</p> <p>a. Board of Directors Meeting – March 28, 2023</p> <p>b. 2. Special Meeting of the Board of Directors – March 07, 2023</p> <p>c. Special Meeting of the Board of Directors – March 27, 2023</p> <p>d. Board of Directors Meeting – March 28, 2023</p> <p>2. FINANCIALS</p> <p>a. Approval of the March 2023 Financial Statements – F&A Approved April 12, 2023</p> <p>3. AGREEMENTS</p> <p>a. Addendum #1 – Extension to 06/30/24 – Strategies 360, Inc.</p> <p>4. LAS PALMAS MEDICAL PLAZA</p> <p>a. Lease Renewal – Aijaz Hashmi, M.D. – Suite 2W 105-106</p>	<p>President PerezGil asked for a motion to approve the consent agenda with a minor modification to the March 28 meeting minutes.</p>	<p>#23-18 MOTION WAS MADE by Director Shorr and seconded by Director Zendle to approve the agenda with a minor modification to the March 28 meeting minutes. Motion passed unanimously. AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, Director Barraza</p> <p>NOES – 0</p> <p>ABSENT – 0</p>
<p>F. Desert Healthcare District CEO Report</p>		

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
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April 25, 2023**

<p>1. AB 869 – Hospitals: Seismic Safety Compliance</p>	<p>Conrado Bárzaga, MD, CEO, described AB 869 and several letters of support in favor of the bill.</p>	
<p>2. Riverside Local Agency Formation Commission (LAFCO) Special District Member Elections Results – East and West County</p>	<p>Board Relations Officer, Andrea Hayles, provided an overview of the Local Area Formation Commission (LAFCO) Special District Member Election Results for the Eastern and Western portions of the County, highlighting Castulo Estrada, Coachella Valley Water District, elected to represent the Eastern County.</p>	
<p>3. Recertification – Association of California Healthcare Districts (ACHD) and California Special Districts Association (CSDA)</p>	<p>Dr. Bárzaga, CEO, described the recertification for the Association of California Healthcare Districts (ACHD) and the California Special District Association (CSDA), reminding the Board of their biennial ethics and harassment training.</p>	
<p>4. 75th Anniversary – History Book Release Launch – May 18</p>	<p>Dr. Bárzaga, CEO, described the upcoming May 18 History Book Release reception in association with the district’s 75th Anniversary events with an anticipated 150 guests.</p>	
<p>5. Diversity, Equity, and Inclusion (DEI) Training – Activate Inclusion – Next Session May</p>	<p>Dr. Bárzaga, CEO, provided an overview of the Diversity, Equity, and Inclusion (DEI) training facilitated by Activate Inclusion, describing the second and third training sessions for the Board and the Staff.</p>	



**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
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<p>6. CEO Community Engagements and Media Visibility</p>	<p>Dr. Bárzaga, CEO, described the community engagements and media visibility highlighting Huron consulting’s presentation, meetings to develop primary care residency programs in the Coachella Valley, ACHD board meetings and the CEO Roundtable, community clinics, the California Economic Summit planning meeting, and the CEO Discretionary Fund.</p>	
<p>G. Desert Regional Medical Center CEO Report</p>	<p>Michele Finney, CEO Desert Care Network, Desert Regional Medical Center, provided an update on the peak volume rate at the first of the quarter, with record-high census levels easing in April. The COVID mask requirements for patients and visitors have been lifted, given the stable COVID numbers.</p> <p>Ms. Finney described the 60 new nurses in the first quarter with the 10% turnover rate, rapid hiring events, flexible scheduling for parents, and the student loan forgiveness plan. An update on capital projects was provided, such as Cath Lab 1 with a multi-year plan to replace all three, the new a/c unit for El Mirador, and a new MRI at JFK Memorial. A description of the service awards 90 volunteers, and a special acknowledgment for Ernest Suisman, with over 30,000 volunteer hours was provided, with discussions on an invite to the History Book Release reception and special</p>	

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
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	<p>recognition. Additional updates were the Survey Activity and People, Events for Nurses’ Day, Hospital Week, and Marketing and PR.</p>	
<p>H. Desert Regional Medical Center Governing Board</p>	<p>President PerezGil provided an overview of the March governing board meeting emphasizing a report on SEIU negotiations, government relations, the neuro-surgery residency program, and capital improvements with a roof replacement on the east side of the hospital.</p> <p>Director Zendle described the monthly credentialing and peer review for maintaining quality.</p>	
<p>I. Committee Meetings –</p> <p>I.1. Program Committee</p> <p>a. Draft Meeting Minutes – April 11, 2023</p> <p>b. Progress and Final Reports Update</p> <p>c. Grant applications and Request for Proposals Submitted and Under Review</p> <p>d. Grant Payment Schedule</p> <p>I.2. Finance, Legal, Administration, & Real Estate Committee</p> <p>a. Draft Meeting Minutes – April 11, 2023</p>	<p>President PerezGil inquired about any questions concerning the April Program Committee meeting minutes, progress and final reports, grant applications and request for proposals submitted and under review, and grant payment schedules.</p> <p>There were no questions or comments.</p> <p>President PerezGil inquired about any questions</p>	

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
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<p>b. Las Palmas Medical Plaza Common Area Maintenance (CAM) 2022 Reconciliation</p>	<p>concerning the April F&A Committee meeting minutes and the Las Palmas Medical Plaza Common Area Maintenance 2022 CAM reconciliation.</p> <p>Director Shorr, chair, F&A Committee, highlighted the Las Palmas Plaza vacancy rate, and the common area maintenance increase.</p> <p>Director Rogers inquired about the demand for more physician office space, given the District’s long-term goals to increase access to primary care and the possibility of expansion for additional office space.</p>	
<p>J. CV Link Q1 2023 Report</p>	<p>President PerezGil inquired about any questions concerning the Q1 CV Link report.</p> <p>Erica Felci, Associate Director, Coachella Valley Association of Governments (CVAG), described the next groundbreaking opportunity with an invite to the Board once finalized.</p>	
<p>K. Legal</p>	<p>Jeff Scott, Legal Counsel, described the Supreme Court’s social media case for a Poway school district member on whether public officials with social media pages can block the public and an appeals court potential ruling in violation of public rights.</p>	
<p>L. Immediate Issues and Comments</p>	<p>Director Barraza thanked the staff and the Momentus event</p>	

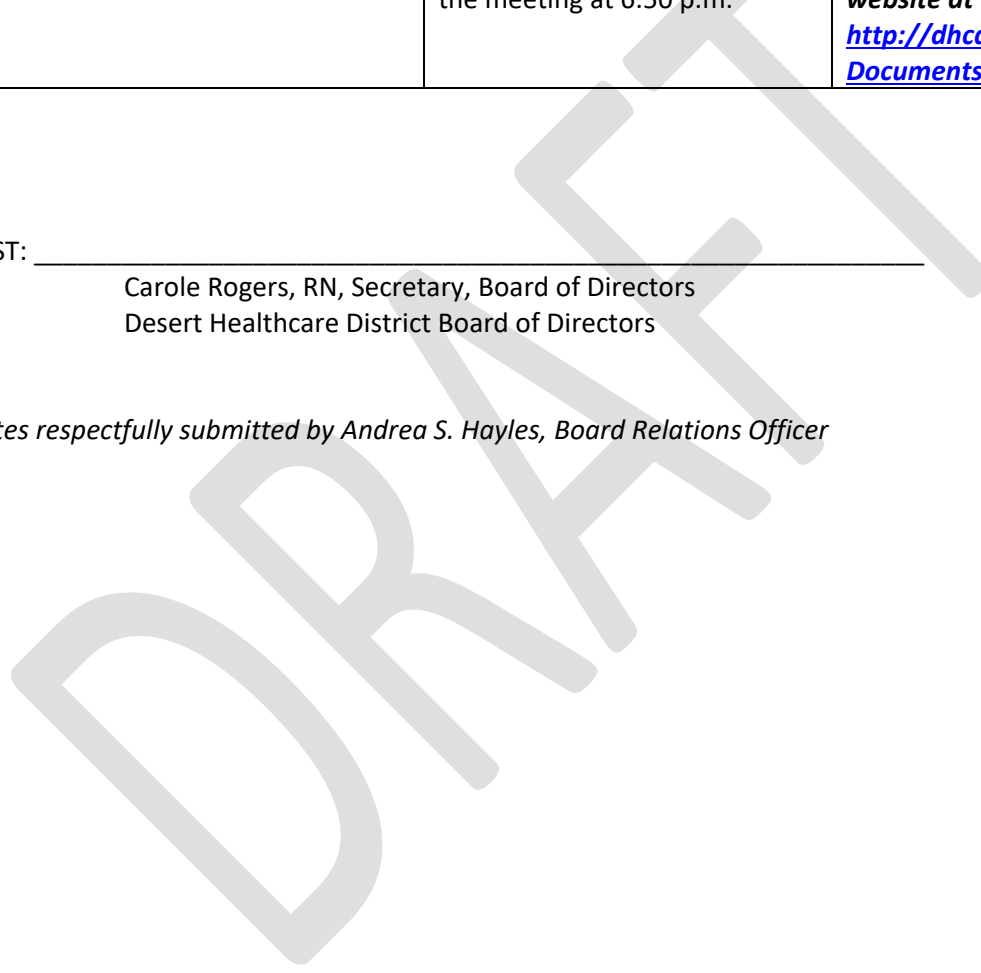


**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
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	<p>team for a successful Night of Stars.</p> <p>Director Rogers provided an overview of the Lift to Rise Housing Community Action Network (CAN) and CVAG's Homelessness meeting.</p>	
M. Adjournment	<p>President PerezGil adjourned the meeting at 6:50 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>

ATTEST: _____
 Carole Rogers, RN, Secretary, Board of Directors
 Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer



DESERT HEALTHCARE DISTRICT
APRIL 2023 FINANCIAL STATEMENTS
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**DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
TEN MONTHS ENDED APRIL 30, 2023**

Scope: \$25,000 Variance per Statement of Operations Summary				
Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
	4000 - Income	\$ 5,282,667	\$ 4,058,494	
4500 - LPMP	\$ 1,246,328	\$ 1,129,990	\$ 116,338	Higher rent revenue \$38k; higher CAM revenue \$78k
5000 - Direct Expenses	\$ 1,219,247	\$ 1,556,300	\$ (337,053)	Lower wage related expenses \$221k due to open positions; lower board expenses \$36k; lower education expense \$58k; lower health insurance expense \$33k; higher retirement expense \$11k
6500 - Professional Fees Expense	\$ 991,946	\$ 890,190	\$ 101,756	Higher Professional Services expense \$105k; lower PR/Communications expense \$6k; higher legal expense \$3k
7000 - Grants Expense	\$ 640,355	\$ 3,333,330	\$ (2,692,975)	Budget of \$4 Million for fiscal year is amortized straight-line over 12-month fiscal year. As of April 30, 2023, there is \$3,359,644 remaining in the fiscal year grant budget.
Las Palmas Medical Plaza - Net	\$ 310,883	\$ 188,230	\$ 122,653	LPMP revenue higher \$116k; LPMP expenses lower \$6k

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2022 through April 2023

	MONTH			TOTAL		
	Apr 23	Budget	\$ Over Budget	Jul '22 - Apr 23	Budget	\$ Over Budget
Income						
4000 · Income	(382,441)	384,987	(767,428)	5,282,667	4,058,494	1,224,173
4500 · LPMP Income	110,909	112,999	(2,090)	1,246,328	1,129,990	116,338
4501 · Miscellaneous Income	0	0	0	4,500	4,500	0
Total Income	(271,532)	497,986	(769,518)	6,533,497	5,192,984	1,340,513
Expense						
5000 · Direct Expenses	179,395	151,920	27,475	1,219,247	1,556,300	(337,053)
6000 · General & Administrative Exp	41,982	46,245	(4,263)	467,854	462,450	5,404
6325 · CEO Discretionary Fund	7,500	8,333	(833)	38,346	33,330	5,016
6445 · LPMP Expenses	99,989	94,176	5,813	935,445	941,760	(6,315)
6500 · Professional Fees Expense	92,565	89,019	3,546	991,946	890,190	101,756
6700 · Trust Expenses	5,458	6,021	(563)	59,381	60,210	(829)
Total Expense Before Grants	426,889	395,714	31,175	3,712,204	3,944,255	(232,051)
7000 · Grants Expense	0	333,333	(333,333)	640,355	3,333,330	(2,692,975)
Net Income	(698,421)	(231,061)	(467,360)	2,180,929	(2,084,595)	4,265,524

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2022 through April 2023

	MONTH			TOTAL		
	Apr 23	Budget	\$ Over Budget	Jul '22 - Apr 23	Budget	\$ Over Budget
Income						
4000 · Income						
4010 · Property Tax Revenues	510,192	441,320	68,872	5,584,520	4,621,824	962,696
4200 · Interest Income						
4220 · Interest Income (FRF)	6,817	75,000	(68,183)	733,577	750,000	(16,423)
9999-1 · Unrealized gain(loss) on invest	(901,450)	(133,333)	(768,117)	(1,055,430)	(1,333,330)	277,900
Total 4200 · Interest Income	(894,633)	(58,333)	(836,300)	(321,853)	(583,330)	261,477
4300 · DHC Recoveries	2,000	2,000	0	20,000	20,000	0
Total 4000 · Income	(382,441)	384,987	(767,428)	5,282,667	4,058,494	1,224,173
4500 · LPMP Income	110,909	112,999	(2,090)	1,246,328	1,129,990	116,338
4501 · Miscellaneous Income	0	0	0	4,500	4,500	0
Total Income	(271,532)	497,986	(769,518)	6,533,497	5,192,984	1,340,513
Expense						
5000 · Direct Expenses						
5100 · Administration Expense						
5110 · Wages Expense	108,571	121,344	(12,773)	1,061,564	1,213,440	(151,876)
5111 · Allocation to LPMP - Payroll	(6,363)	(5,470)	(893)	(63,630)	(54,700)	(8,930)
5112 · Vacation/Sick/Holiday Expense	8,943	11,667	(2,724)	168,415	116,670	51,745
5114 · Allocation to Foundation	(28,475)	(27,936)	(539)	(281,516)	(279,360)	(2,156)
5119 · Allocation-FED FUNDS/CVHIP-DHCF	(35,836)	(13,823)	(22,013)	(239,470)	(138,230)	(101,240)
5120 · Payroll Tax Expense	9,003	9,633	(630)	88,118	96,330	(8,212)
5130 · Health Insurance Expense						
5131 · Premiums Expense	20,316	21,576	(1,260)	190,882	215,760	(24,878)
5135 · Reimb./Co-Payments Expense	212	1,950	(1,738)	11,056	19,500	(8,444)
Total 5130 · Health Insurance Expense	20,528	23,526	(2,998)	201,938	235,260	(33,322)
5140 · Workers Comp. Expense	427	399	28	4,516	3,990	526
5145 · Retirement Plan Expense	10,893	8,895	1,998	99,956	88,950	11,006
5160 · Education Expense	300	7,083	(6,783)	12,655	70,830	(58,175)
Total 5100 · Administration Expense	87,991	135,318	(47,327)	1,052,546	1,353,180	(300,634)
5200 · Board Expenses						
5210 · Healthcare Benefits Expense	1,222	1,096	126	43,973	48,060	(4,087)
5230 · Meeting Expense	1,296	2,667	(1,371)	9,378	26,670	(17,292)
5235 · Director Stipend Expense	4,631	3,465	1,166	25,868	34,650	(8,782)
5240 · Catering Expense	922	833	89	3,732	8,330	(4,598)
5250 · Mileage Reimbursement Expense	0	208	(208)	417	2,080	(1,663)
5270 · Election Fees Expense	83,333	8,333	75,000	83,333	83,330	3
Total 5200 · Board Expenses	91,404	16,602	74,802	166,701	203,120	(36,419)
Total 5000 · Direct Expenses	179,395	151,920	27,475	1,219,247	1,556,300	(337,053)

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2022 through April 2023

	MONTH			TOTAL		
	Apr 23	Budget	\$ Over Budget	Jul '22 - Apr 23	Budget	\$ Over Budget
6000 · General & Administrative Exp						
6110 · Payroll fees Expense	187	208	(21)	1,606	2,080	(474)
6120 · Bank and Investment Fees Exp	4,970	4,500	470	53,999	45,000	8,999
6125 · Depreciation Expense	1,847	1,167	680	14,183	11,670	2,513
6126 · Depreciation-Solar Parking lot	15,072	15,072	0	150,720	150,720	0
6127 · Depreciation - Autos	3,287	3,750	(463)	16,435	37,500	(21,065)
6130 · Dues and Membership Expense	3,558	4,159	(601)	48,322	41,590	6,732
6200 · Insurance Expense	3,929	2,667	1,262	39,490	26,670	12,820
6300 · Minor Equipment Expense	0	42	(42)	0	420	(420)
6305 · Auto Allowance & Mileage Exp	462	500	(38)	5,080	5,000	80
6306 · Staff- Auto Mileage reimb	500	625	(125)	1,023	6,250	(5,227)
6309 · Personnel Expense	0	375	(375)	449	3,750	(3,301)
6310 · Miscellaneous Expense	0	42	(42)	0	420	(420)
6311 · Cell Phone Expense	606	725	(119)	6,334	7,250	(916)
6312 · Wellness Park Expenses	336	83	253	336	830	(494)
6315 · Security Monitoring Expense	108	50	58	461	500	(39)
6340 · Postage Expense	228	333	(105)	1,720	3,330	(1,610)
6350 · Copier Rental/Fees Expense	377	500	(123)	4,023	5,000	(977)
6351 · Travel Expense	673	1,667	(994)	20,777	16,670	4,107
6352 · Meals & Entertainment Exp	80	875	(795)	29,698	8,750	20,948
6355 · Computer Services Expense	2,389	4,263	(1,874)	39,593	42,630	(3,037)
6360 · Supplies Expense	919	1,917	(998)	8,309	19,170	(10,861)
6380 · LAFCO Assessment Expense	205	208	(3)	2,050	2,080	(30)
6400 · East Valley Office	2,249	2,517	(268)	23,246	25,170	(1,924)
Total 6000 · General & Administrative Exp	41,982	46,245	(4,263)	467,854	462,450	5,404
6325 · CEO Discretionary Fund	7,500	8,333	(833)	38,346	33,330	5,016
6445 · LPMP Expenses	99,989	94,176	5,813	935,445	941,760	(6,315)
6500 · Professional Fees Expense						
6516 · Professional Services Expense	75,697	72,094	3,603	826,155	720,940	105,215
6520 · Annual Audit Fee Expense	1,458	1,458	0	14,580	14,580	0
6530 · PR/Communications/Website	25,410	5,467	19,943	48,088	54,670	(6,582)
6560 · Legal Expense	(10,000)	10,000	(20,000)	103,123	100,000	3,123
Total 6500 · Professional Fees Expense	92,565	89,019	3,546	991,946	890,190	101,756
6700 · Trust Expenses						
6720 · Pension Plans Expense						
6721 · Legal Expense	0	167	(167)	0	1,670	(1,670)
6725 · RPP Pension Expense	5,000	5,000	0	50,000	50,000	0
6728 · Pension Audit Fee Expense	458	854	(396)	9,381	8,540	841
Total 6700 · Trust Expenses	5,458	6,021	(563)	59,381	60,210	(829)
Total Expense Before Grants	426,889	395,714	31,175	3,712,213	3,944,249	(232,036)
7000 · Grants Expense						
7010 · Major Grant Awards Expense	0	333,333	(333,333)	640,355	3,333,330	(2,692,975)
Net Income	(698,421)	(231,061)	(467,360)	2,180,929	(2,084,595)	4,265,524

Las Palmas Medical Plaza
Profit & Loss Budget vs. Actual
July 2022 through April 2023

	MONTH			TOTAL		
	Apr 23	Budget	\$ Over Budget	Jul '22 - Apr 23	Budget	\$ Over Budget
Income						
4500 · LPMP Income						
4505 · Rental Income	75,914	80,018	(4,104)	838,634	800,180	38,454
4510 · CAM Income	34,550	32,898	1,652	407,249	328,980	78,269
4513 · Misc. Income	445	83	362	445	830	(385)
Total 4500 · LPMP Income	110,909	112,999	(2,090)	1,246,328	1,129,990	116,338
Expense						
6445 · LPMP Expenses						
6420 · Insurance Expense	4,338	3,125	1,213	43,380	31,250	12,130
6425 · Building - Depreciation Expense	24,455	27,441	(2,986)	244,550	274,410	(29,860)
6426 · Tenant Improvements -Dep Exp	21,451	16,667	4,784	174,082	166,670	7,412
6427 · HVAC Maintenance Expense	714	1,333	(619)	7,779	13,330	(5,551)
6428 · Roof Repairs Expense	0	208	(208)	0	2,080	(2,080)
6431 · Building -Interior Expense	0	625	(625)	2,900	6,250	(3,350)
6432 · Plumbing -Interior Expense	0	667	(667)	6,230	6,670	(440)
6433 · Plumbing -Exterior Expense	0	208	(208)	0	2,080	(2,080)
6434 · Allocation Internal Prop. Mgmt	6,363	5,470	893	63,630	54,700	8,930
6435 · Bank Charges	19	42	(23)	292	420	(128)
6437 · Utilities -Vacant Units Expense	26	183	(157)	(52)	1,830	(1,882)
6439 · Deferred Maintenance Repairs Ex	0	1,250	(1,250)	17,518	12,500	5,018
6440 · Professional Fees Expense	11,150	11,150	0	111,500	111,500	0
6441 · Legal Expense	0	83	(83)	0	830	(830)
6458 · Elevators - R & M Expense	257	1,000	(743)	8,740	10,000	(1,260)
6460 · Exterminating Service Expense	275	333	(58)	12,245	3,330	8,915
6463 · Landscaping Expense	0	750	(750)	5,843	7,500	(1,657)
6467 · Lighting Expense	0	500	(500)	0	5,000	(5,000)
6468 · General Maintenance Expense	(823)	83	(906)	407	830	(423)
6471 · Marketing-Advertising	0	1,250	(1,250)	7,546	12,500	(4,954)
6475 · Property Taxes Expense	6,250	6,500	(250)	62,500	65,000	(2,500)
6476 · Signage Expense	487	125	362	1,235	1,250	(15)
6480 · Rubbish Removal Medical Waste E	1,146	1,500	(354)	12,606	15,000	(2,394)
6481 · Rubbish Removal Expense	2,651	3,058	(407)	25,814	30,580	(4,766)
6482 · Utilities/Electricity/Exterior	772	625	147	5,587	6,250	(663)
6484 · Utilities - Water (Exterior)	516	625	(109)	7,453	6,250	1,203
6485 · Security Expenses	19,942	9,208	10,734	113,385	92,080	21,305
6490 · Miscellaneous Expense	0	167	(167)	275	1,670	(1,395)
Total 6445 · LPMP Expenses	99,989	94,176	5,813	935,445	941,760	(6,315)
Net Income	10,920	18,823	(7,903)	310,883	188,230	122,653

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of April 30, 2023

			Apr 30, 23	Apr 30, 22
ASSETS				
Current Assets				
Checking/Savings				
		1000 · CHECKING CASH ACCOUNTS	1,314,039	1,635,806
		1100 · INVESTMENT ACCOUNTS	64,196,004	62,512,321
		Total Checking/Savings	65,510,043	64,148,127
		Total Accounts Receivable	66,133	289,627
Other Current Assets				
		1204.1 · Rent Receivable-Deferred COVID	47,795	106,554
		1270 · Prepaid Insurance -Ongoing	20,167	15,563
		1279 · Pre-Paid Fees	29,956	9,619
		Total Other Current Assets	97,918	131,736
		Total Current Assets	65,674,094	64,569,490
Fixed Assets				
		1300 · FIXED ASSETS	5,099,910	4,933,929
		1335-00 · ACC DEPR	(2,564,860)	(2,332,859)
		1400 · LPMP Assets	6,847,118	7,167,037
		Total Fixed Assets	9,382,168	9,768,107
Other Assets				
		1700 · OTHER ASSETS	3,489,745	3,920,220
TOTAL ASSETS			78,546,007	78,257,817

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of April 30, 2023

			Apr 30, 23	Apr 30, 22
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
		2000 · Accounts Payable	44,724	8,937
		2001 · LPMP Accounts Payable	7,917	7,271
		Total Accounts Payable	52,641	16,208
Other Current Liabilities				
		2002 · LPMP Property Taxes	(13,560)	(12,268)
		2131 · Grant Awards Payable	4,109,205	3,352,607
		2133 · Accrued Accounts Payable	272,883	139,550
		2141 · Accrued Vacation Time	104,476	81,872
		2188 · Current Portion - LTD	2,467	2,467
		2190 · Investment Fees Payable	4,131	4,013
		Total Other Current Liabilities	4,479,602	3,568,241
		Total Current Liabilities	4,532,243	3,584,449
Long Term Liabilities				
		2171 · RPP-Deferred Inflows-Resources	492,802	675,732
		2280 · Long-Term Disability	2,981	16,281
		2281 · Grants Payable - Long-term	3,520,000	4,990,000
		2290 · LPMP Security Deposits	58,583	61,028
		Total Long Term Liabilities	4,074,366	5,743,041
		Total Liabilities	8,606,609	9,327,490
Equity				
		3900 · *Retained Earnings	67,758,461	67,408,928
		Net Income	2,180,929	1,521,402
		Total Equity	69,939,390	68,930,330
TOTAL LIABILITIES & EQUITY			78,546,007	78,257,817

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of April 30, 2023

				Apr 30, 23	Apr 30, 22
ASSETS					
Current Assets					
Checking/Savings					
1000 · CHECKING CASH ACCOUNTS					
			1010 · Union Bank - Checking	0	49,585
			1012 · Union Bank Operating - 9356	1,246,348	1,461,045
			1046 · Las Palmas Medical Plaza	67,191	124,676
			1047 · Petty Cash	500	500
			Total 1000 · CHECKING CASH ACCOUNTS	1,314,039	1,635,806
1100 · INVESTMENT ACCOUNTS					
			1130 · Facility Replacement Fund	66,064,412	64,268,731
			1135 · Unrealized Gain(Loss) FRF	(1,868,408)	(1,756,410)
			Total 1100 · INVESTMENT ACCOUNTS	64,196,004	62,512,321
			Total Checking/Savings	65,510,043	64,148,127
Accounts Receivable					
			1201 · Accounts Receivable		
			1204 · LPMP Accounts Receivable	2,564	7,365
			1205 · Misc. Accounts Receivable	0	175,000
			1211 · A-R Foundation - Exp Allocation	63,569	107,262
			Total Accounts Receivable	66,133	289,627
Other Current Assets					
			1204.1 · Rent Receivable-Deferred COVID	47,795	106,554
			1270 · Prepaid Insurance -Ongoing	20,167	15,563
			1279 · Pre-Paid Fees	29,956	9,619
			Total Other Current Assets	97,918	131,736
			Total Current Assets	65,674,094	64,569,490
Fixed Assets					
1300 · FIXED ASSETS					
			1310 · Computer Equipment	97,697	91,275
			1320 · Furniture and Fixtures	55,099	33,254
			1321 · Mobile Medical Unit	197,214	59,500
			1322 · Tenant Improvement - RAP #G100	32,794	32,794
			1325 · Offsite Improvements	300,849	300,849
			1331 · DRMC - Parking lot	4,416,257	4,416,257
			Total 1300 · FIXED ASSETS	5,099,910	4,933,929

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of April 30, 2023

		Apr 30, 23	Apr 30, 22
	1335-00 · ACC DEPR		
	1335 · Accumulated Depreciation	(229,592)	(217,439)
	1337 · Accum Deprec- Solar Parking Lot	(2,110,251)	(1,929,387)
	1338 · Accum Deprec - LPMP Parking Lot	(208,582)	(186,033)
	1339 · Accum Deprec - Autos	(16,435)	0
	Total 1335-00 · ACC DEPR	(2,564,860)	(2,332,859)
	1400 · LPMP Assets		
	1401 · Building	8,705,680	8,705,680
	1402 · Land	2,165,300	2,165,300
	1403 · Tenant Improvements -New	2,275,966	2,271,406
	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	483,624	344,141
	1406 · Building Improvements - Other	2,153,527	2,152,551
	Total 1406 · Building Improvements	3,313,635	3,173,176
	1407 · Building Equipment Improvements	444,268	439,673
	1409 · Accumulated Depreciation		
	1410 · Accum. Depreciation	(8,100,166)	(7,844,095)
	1412 · T I Accumulated Dep.-New	(2,087,115)	(1,873,653)
	Total 1409 · Accumulated Depreciation	(10,187,281)	(9,717,748)
	Total 1400 · LPMP Assets	6,847,118	7,167,037
	Total Fixed Assets	9,382,168	9,768,107
	Other Assets		
	1700 · OTHER ASSETS		
	1731 · Wellness Park	1,693,800	1,693,800
	1740 · RPP-Deferred Outflows-Resources	836,699	494,388
	1742 · RPP - Net Pension Asset	959,246	1,732,032
	Total Other Assets	3,489,745	3,920,220
	TOTAL ASSETS	78,546,007	78,257,817

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of April 30, 2023

			Apr 30, 23	Apr 30, 22
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
		2000 - Accounts Payable	44,724	8,937
		2001 - LPMP Accounts Payable	7,917	7,271
		Total Accounts Payable	52,641	16,208
Other Current Liabilities				
		2002 - LPMP Property Taxes	(13,560)	(12,268)
		2131 - Grant Awards Payable	4,109,205	3,352,607
		2133 - Accrued Accounts Payable	272,883	139,550
		2141 - Accrued Vacation Time	104,476	81,872
		2188 - Current Portion - LTD	2,467	2,467
		2190 - Investment Fees Payable	4,131	4,013
		Total Other Current Liabilities	4,479,602	3,568,241
		Total Current Liabilities	4,532,243	3,584,449
Long Term Liabilities				
		2171 - RPP-Deferred Inflows-Resources	492,802	675,732
		2280 - Long-Term Disability	2,981	16,281
		2281 - Grants Payable - Long-term	3,520,000	4,990,000
		2290 - LPMP Security Deposits	58,583	61,028
		Total Long Term Liabilities	4,074,366	5,743,041
		Total Liabilities	8,606,609	9,327,490
Equity				
		3900 - *Retained Earnings	67,758,461	67,408,928
		Net Income	2,180,929	1,521,402
		Total Equity	69,939,390	68,930,330
TOTAL LIABILITIES & EQUITY			78,546,007	78,257,817

Desert Healthcare District
A/R Aging Summary
As of April 30, 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	COMMENT
Desert Healthcare Foundation-	64,987	(1,418)	0	0	0	63,569	Due From Foundation
Global Premier Fertility	445	4,455	0	0	0	4,900	Slowpay
Pathway Pharmaceuticals, Inc.	0	117	1,532	0	0	1,649	Paid in May
Quest Diagnostics Incorporated	0	(4,341)	0	0	0	(4,341)	Prepaid
Steven Gundry, M.D.	0	243	0	0	0	243	Paid in May
WestPac Labs, Inc.	0	113	0	0	0	113	Slowpay
TOTAL	65,432	(831)	1,532	0	0	66,133	

Desert Healthcare District
Deposit Detail
 April 2023

Type	Date	Name	Amount
Deposit	04/04/2023		2,000
		T-Mobile - Cell Tower Lease	(2,000)
TOTAL			(2,000)
Deposit	04/12/2023		2,096
		Riverside County Treasurer - Property Tax	(2,096)
TOTAL			(2,096)
Deposit	04/13/2023		491,082
		Riverside County Treasurer - Property Tax	(491,082)
TOTAL			(491,082)
Deposit	04/18/2023		287
		Principal Financial Group	(287)
TOTAL			(287)
Deposit	04/21/2023		17,014
		Riverside County Treasurer - Property Tax	(17,014)
TOTAL			(17,014)
		TOTAL	512,479

DESERT HEALTHCARE DISTRICT										
PROPERTY TAX RECEIPTS FY 2022 - 2023										
RECEIPTS - TEN MONTHS ENDED APRIL 30, 2023										
	FY 2021-2022 Projected/Actual					FY 2022-2023 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance	Receipts %	Receipts \$	Act %	Actual Receipts	Variance
July	2.5%	\$ 182,825	2.2%	\$ 162,345	\$ (20,480)	0.0%	\$ -	0.0%	\$ 3,676	\$ 3,676
Aug	1.6%	\$ 117,008	0.2%	\$ 11,529	\$ (105,479)	0.0%	\$ -	2.2%	\$ 175,271	\$ 175,271
Sep	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	0.0%	\$ 3,382	\$ 3,382
Oct	2.6%	\$ 190,138	0.0%	\$ 130	\$ (190,008)	2.6%	\$ 208,624	0.0%	\$ -	\$ (208,624)
Nov	0.4%	\$ 29,252	2.5%	\$ 181,286	\$ 152,034	0.4%	\$ 32,096	2.5%	\$ 198,217	\$ 166,121
Dec	16.9%	\$ 1,235,897	18.3%	\$ 1,337,681	\$ 101,784	16.9%	\$ 1,356,056	18.2%	\$ 1,458,481	\$ 102,425
Jan	31.9%	\$ 2,332,847	37.8%	\$ 2,763,324	\$ 430,477	31.9%	\$ 2,559,656	40.6%	\$ 3,259,483	\$ 699,827
Feb	0.0%	\$ -	2.5%	\$ 180,240	\$ 180,240	0.0%	\$ -	0.6%	\$ 46,002	\$ 46,002
Mar	0.3%	\$ 21,939	0.5%	\$ 35,819	\$ 13,880	0.3%	\$ 24,072	1.1%	\$ 84,592	\$ 60,520
Apr	5.5%	\$ 402,215	6.1%	\$ 443,891	\$ 41,676	5.5%	\$ 441,320	6.4%	\$ 510,192	\$ 68,872
May	19.9%	\$ 1,455,287	45.0%	\$ 3,288,706	\$ 1,833,419	19.9%	\$ 1,596,776	0.0%		
June	18.4%	\$ 1,345,592	0.7%	\$ 47,936	\$ (1,297,656)	22.5%	\$ 1,805,400	0.0%		
Total	100%	\$ 7,313,000	115.6%	\$ 8,452,887	\$ 1,139,887	100.00%	\$ 8,024,000	71.5%	\$ 5,739,296	\$ 1,117,472

**Las Palmas Medical Plaza
Deposit Detail - LPMP
April 2023**

Type	Date	Name	Amount
Deposit	04/04/2023		6,260
Payment	04/04/2023	Global Premier Fertility	(6,260)
TOTAL			(6,260)
Deposit	04/04/2023		2,755
Payment	04/04/2023	WestPac Labs, Inc.	(2,755)
TOTAL			(2,755)
Deposit	04/04/2023		15,525
Payment	04/03/2023	Cure Cardiovascular Consultants	(3,356)
Payment	04/03/2023	Aijaz Hashmi, M.D., Inc.	(3,246)
Payment	04/03/2023	Brad A. Wolfson, M.D.	(3,843)
Payment	04/03/2023	Cohen Musch Thomas Medical Group	(5,079)
TOTAL			(15,524)
Deposit	04/05/2023		3,784
Payment	04/05/2023	Ramy Awad, M.D.	(3,784)
TOTAL			(3,784)
Deposit	04/05/2023		4,139
Payment	04/05/2023	Desert Family Medical Center	(4,139)
TOTAL			(4,139)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
April 2023**

Type	Date	Name	Amount
Deposit	04/18/2023		60,407
Payment	04/18/2023	Pathway Pharmaceuticals, Inc.	(2,522)
Payment	04/18/2023	EyeCare Services Partners Management LLC	(3,983)
Payment	04/18/2023	Peter Jamieson, M.D.	(1,742)
Payment	04/18/2023	Peter Jamieson, M.D.	(3,543)
Payment	04/18/2023	Desert Regional Medical Center	(6,061)
Payment	04/18/2023	Tenet HealthSystem Desert, Inc.	(35,778)
Payment	04/18/2023	Tenet HealthSystem Desert, Inc	(6,779)
TOTAL			(60,408)
Deposit	04/20/2023		7,558
Payment	04/18/2023	Palmtree Clinical Research	(7,558)
TOTAL			(7,558)
Deposit	04/27/2023		4,341
Payment	04/27/2023	Quest Diagnostics Incorporated	(4,341)
TOTAL			(4,341)
		TOTAL	104,769

Desert Healthcare District
Check Register
As of April 30, 2023

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1012 - Union Bank Operating - 9356				
Bill Pmt -Check	04/04/2023	1585	Carmina Zavala - Stipend	(662)
Bill Pmt -Check	04/04/2023	1586	First Bankcard (Union Bank)	(4,330)
Bill Pmt -Check	04/04/2023	1587	So.Cal Computer Shop	(810)
Bill Pmt -Check	04/04/2023	1588	Underground Service Alert of Southern Cal	(4)
Bill Pmt -Check	04/04/2023	1589	Zendle, Les - Stipend	(662)
Bill Pmt -Check	04/04/2023	1590	First Bankcard (Union Bank)	(420)
Bill Pmt -Check	04/04/2023	1591	Boyd & Associates	(108)
Bill Pmt -Check	04/04/2023	1592	California Consulting	(4,250)
Check	04/07/2023	Auto Pay	Calif. Public Employees'Retirement System	(17,726)
Bill Pmt -Check	04/10/2023	1593	Boys & Girls Club of Palm Springs	(5,000)
Bill Pmt -Check	04/10/2023	1594 - VOID	DAP Health	0
Bill Pmt -Check	04/10/2023	1595	Greater Coachella Valley Chamber of Com	(310)
Bill Pmt -Check	04/10/2023	1596	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	04/10/2023	1597	NPO Centric	(15,000)
Bill Pmt -Check	04/10/2023	1598	Shred-It	(254)
Bill Pmt -Check	04/10/2023	1599	Staples Credit Plan	(520)
Bill Pmt -Check	04/10/2023	1600	State Compensation Insurance Fund	(427)
Bill Pmt -Check	04/10/2023	1601	Steven Hollis - Consulting Services	(14,105)
Bill Pmt -Check	04/11/2023	1602	CaravanSerai Project	(2,500)
Bill Pmt -Check	04/13/2023	1603	Swarat Signs	(336)
Bill Pmt -Check	04/13/2023	1604	Strategies 360, Inc.	(205)
Liability Check	04/14/2023		QuickBooks Payroll Service	(57,186)
Bill Pmt -Check	04/18/2023	1605	CoPower Employers' Benefits Alliance	(1,750)
Bill Pmt -Check	04/18/2023	1606	Principal Life Insurance Co.	(2,061)
Bill Pmt -Check	04/18/2023	1607	Regents - University of California	(1,296)
Bill Pmt -Check	04/18/2023	1608	Spectrum (Time Warner)	(322)
Bill Pmt -Check	04/19/2023	1609	LoopUp LLC	(24)
Bill Pmt -Check	04/20/2023	1610	Hocker Productions	(10,000)
Bill Pmt -Check	04/20/2023	1611	Xerox Financial Services	(377)
Bill Pmt -Check	04/20/2023	1612	Regional Access Project Foundation	(176)
Bill Pmt -Check	04/20/2023	1613	Strategies 360, Inc.	(9,500)
Bill Pmt -Check	04/25/2023	1614	Calif. State University,San Bernardino - Grant Payment	(5,406)
Bill Pmt -Check	04/25/2023	1615	Frazier Pest Control, Inc.	(33)
Bill Pmt -Check	04/25/2023	1616	Gafcon, Inc.	(12,838)
Bill Pmt -Check	04/25/2023	1617	Olive Crest Treatment Center, Inc. - Grant Payment	(12,345)
Bill Pmt -Check	04/25/2023	1618	Regional Access Project Foundation	(2,000)
Bill Pmt -Check	04/25/2023	1619	Shred-It	(128)

Desert Healthcare District
Check Register
As of April 30, 2023

Type	Date	Num	Name	Amount
Bill Pmt -Check	04/25/2023	1620	Youth Leadership Institute - Grant Payment	(11,250)
Bill Pmt -Check	04/27/2023	1621	Carmina Zavala - Stipend	(662)
Bill Pmt -Check	04/27/2023	1622	Ready Refresh	(50)
Bill Pmt -Check	04/27/2023	1623	Zendle, Les - Stipend	(551)
Bill Pmt -Check	04/27/2023	1624	Evet PerezGil - Stipend	(662)
Bill Pmt -Check	04/27/2023	1625	So.Cal Computer Shop	(3,045)
Bill Pmt -Check	04/27/2023	1626	Verizon Wireless	(700)
Liability Check	04/28/2023		QuickBooks Payroll Service	(57,041)
Check	04/28/2023	Auto Pay	Principal Financial Group-	(726)
Check	04/28/2023	Auto Pay	Principal Financial Group-	(1,054)
TOTAL				(259,312)

Desert Healthcare District						
Details for Credit Card Expenditures						
Credit card purchases - March 2023 - Paid April 2023						
Number of credit cards held by District personnel -2						
Credit Card Limit - \$25,000 - Conrado, \$20,000 - Chris						
Credit Card Holders:						
Conrado B�rzsaga - 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						
Year	Month	Total Charged	Expense Type	Amount	Purpose	Description
		\$ 4,749.92				
Chris' Statement:						
2023	March	\$ 419.73	District			
			GL	Dollar		Description
			6343	\$ 29.45		Postage to Mail Jeff Scott's iPad left at hotel (to be credited to legal invoice)
			6530	\$ 57.34		1&1 Ionos Instant Domain for CVHIP
			6355	\$ 254.94		Zoom videoconference/webinar expense
			6355	\$ 78.00		Microsoft Office subscription
				\$ 419.73		
Conrado's Statement:						
2023	March	\$ 4,330.19	District			
			GL	Dollar		Description
			5230	\$ 275.00		United Way Annual United Together Gala - Director Barraza
			5230	\$ 250.00		Loma Linda University Health's Hope Shines Under the Stars Event - Director Barraza
			5230	\$ 97.61		Bloom In The Desert Spring Fling Bloom Fundraiser - Director Barraza
			5240	\$ 25.00		Uber Eats - 02/28/23 Board Meeting Food
			5240	\$ 225.00		Grubhub - 02/28/23 Board Meeting Food
			5240	\$ 152.86		Jensen's - 03/07/2023 Board Meeting Food
			6352	\$ 253.84		Panera - RAP Mental Health RFP Review Meeting Food
			6130	\$ 575.88		LinkedIn Business Plus Subscription (Annual)
			5230	\$ 550.00		United Way Annual United Together Gala - Vice-President Zavala, Director De Lara
			5160	\$ 1,100.00		United Way Annual United Together Gala - Conrado Barzsaga +3
			5230	\$ 275.00		United Way Annual United Together Gala - President PerezGil
			5160	\$ 550.00		United Way Annual United Together Gala - Donna Craig, Andrea Hayles
				\$ 4,330.19		

**Las Palmas Medical Plaza
Check Register - LPMP
As of April 30, 2023**

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1046 - Las Palmas Medical Plaza				
Bill Pmt -Check	04/04/2023	10717	Imperial Security	(3,400)
Bill Pmt -Check	04/04/2023	10718	Palm Springs Disposal Services Inc	(2,651)
Bill Pmt -Check	04/05/2023	10719	INPRO Environmental Management Services	(23,625)
Bill Pmt -Check	04/05/2023	10720	Stericycle, Inc.	(1,148)
Bill Pmt -Check	04/10/2023	10721	Imperial Security	(5,605)
Bill Pmt -Check	04/10/2023	10722	Frazier Pest Control, Inc.	(275)
Bill Pmt -Check	04/18/2023	10723	Best Signs, Inc.	(487)
Bill Pmt -Check	04/18/2023	10724	Frontier Communications	(257)
Bill Pmt -Check	04/18/2023	10725	Imperial Security	(7,208)
Bill Pmt -Check	04/18/2023	10726	Southern California Edison	(797)
Check	04/20/2023		Bank Service Charges	(655)
Bill Pmt -Check	04/25/2023	10727	Desert Air Conditioning Inc.	(714)
Bill Pmt -Check	04/25/2023	10728	Imperial Security	(3,525)
Bill Pmt -Check	04/25/2023	10729	INPRO Environmental Management Services	(11,150)
Bill Pmt -Check	04/27/2023	10730	Pathway Pharmaceuticals, Inc. - Tenant Improvement Allowance	(2,490)
TOTAL				(63,987)

**Desert Healthcare District
CEO Discretionary Fund
July 2022 through April 2023**

Date	Name	Memo	Amount
6325 - CEO Discretionary Fund			
07/14/2022	Regional Access Project Foundation	Nonprofit Desert Fast Pitch sponsorship	5,000
08/24/2022	Coachella Valley Economic Partnership	2022 CVEP Economic Summit - Silver Sponsorship	5,000
10/20/2022	UC Riverside Foundation	UCR SOM Celebration of Medical Education Gala - Bronze Sponsorship	5,000
11/03/2022	Blood Bank of San Bernardino	11.12.22 Thanks4Giving Gala	3,000
01/27/2023	First Bankcard (Union Bank)	Wal-mart -Clothing for migrant children left in Coachella Valley during the holidays, donated to the Galilee Center	1,444
01/27/2023	First Bankcard (Union Bank)	Donation to The Girlfriend Factor	2,500
02/27/2023	Desert Recreation Foundation	March 29, 2023 Bowling fundraiser	500
02/28/2023	Desert Healthcare Foundation-	The Girlfriend Factor Sponsorship	1,300
02/28/2023	Desert Healthcare Foundation-	2023 Farm to Fork Dinner Table Sponsor	1,602
03/08/2023	OneFuture Coachella Valley	OneFuture Coachella Valley - The Future is Ours Event 2023 Sponsorship	5,000
03/17/2023	Family Service Association	Gold Sponsor for Family Service Association Flag Raising Ceremony	500
04/01/2023	Boys & Girls Club of Palm Springs	Be a Hero for Kids-Halloween Bash Sponsorship	5,000
04/10/2023	CaravanSerai Project	SEED LAB - Graduation 2023 Sponsorship	2,500
TOTAL			38,346



MEMORANDUM

DATE: May 10, 2023
 TO: F&A Committee
 RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

	<u>March</u>	<u>April</u>
Active – still employed by hospital	70	68
Vested – no longer employed by hospital	58	59
Former employees receiving annuity	<u>7</u>	<u>7</u>
Total	<u>135</u>	<u>134</u>

The outstanding liability for the RPP is approximately **\$3.1M** (Actives - \$1.5M and Vested - \$1.6M). US Bank investment account balance \$4.6M. Per the June 30, 2022, Actuarial Valuation, the RPP has an Overfunded Pension Asset of approximately **\$1.0M**.

The payouts, excluding monthly annuity payments, made from the Plan for the ten (10) months ended April 30, 2023, totaled **\$371K**. Monthly annuity payments (7 participants) total **\$1.0K** per month.

DESERT HEALTHCARE DISTRICT							
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE							
April 30, 2023							
TWELVE MONTHS ENDING JUNE 30, 2023							
Grant ID Nos.	Name	Approved	6/30/2022	Current Yr	Total Paid Prior Yrs	Total Paid Current Yr	Open
		Grants - Prior Yrs	Bal Fwd	2022-2023	July-June	July-June	BALANCE
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 4,990,000		\$ -		\$ 4,990,000
2021-1136-BOD-01-26-21	Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr.	\$ 119,432	\$ 11,944		\$ 11,944		\$ -
2021-1171-BOD-03-23-21	Blood Bank of San Bernardino/Riverside Counties - Bloodmobiles for Coachella Valley - 18 Months	\$ 150,000	\$ 15,000		\$ 15,000		\$ -
2021-1266-BOD-04-27-21	Galilee Center - Our Lady of Guadalupe Shelter - 1 Yr.	\$ 150,000	\$ 15,000		\$ 15,000		\$ -
2021-1277-BOD-04-27-21	Lift To Rise - United Lift Rental Assistance 2021 - 8 Months	\$ 300,000	\$ 30,000		\$ 30,000		\$ -
2021-1280-BOD-05-25-21	Desert AIDS Project - DAP Health Expands Access to Healthcare - 1Yr.	\$ 100,000	\$ 10,000		\$ 10,000		\$ -
2021-1296-BOD-11-23-21	Coachella Valley Volunteers In Medicine - Improving Access to Healthcare Services - 1 Yr.	\$ 154,094	\$ 84,752		\$ 69,342		\$ 15,410
2021-1289-BOD-12-21-21	Desert Cancer Foundation - Patient Assistance Program - 1 Yr.	\$ 150,000	\$ 82,500		\$ 82,500		\$ -
2022-1301-BOD-01-25-22	UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr.	\$ 113,514	\$ 62,433		\$ 51,081		\$ 11,352
2022-1302-BOD-01-25-22	Vision To Learn - Palm Springs, Desert Sands, and Coachella Valley School Districts 1 Yr.	\$ 50,000	\$ 27,500		\$ 22,500		\$ 5,000
2022-1303-BOD-01-25-22	CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.	\$ 54,056	\$ 29,731		\$ 29,731		\$ -
2022-1306-BOD-02-22-22	Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.	\$ 123,451	\$ 67,898		\$ 67,898		\$ -
2022-1311-BOD-04-26-22	Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.	\$ 102,741	\$ 56,508		\$ 46,233		\$ 10,275
2022-1313-BOD-04-26-22	Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities 1 Yr.	\$ 76,790	\$ 42,235		\$ 34,555		\$ 7,680
2022-1314-BOD-05-24-22	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 60,000	\$ 60,000		\$ 54,000		\$ 6,000
2022-1325-BOD-06-28-22	Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs.	\$ 150,000	\$ 150,000		\$ 67,500		\$ 82,500
2022-1327-BOD-06-28-22	Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs.	\$ 50,000	\$ 50,000		\$ 22,500		\$ 27,500
2022-1328-BOD-06-28-22	El Sol - Expanding Access to Educational Resources for Promotoras - 2 Yrs.	\$ 150,000	\$ 150,000		\$ 33,750		\$ 116,250
2022-1331-BOD-06-28-22	Pueblo Unido - Improving Access to Behavioral Health Education and Prevention Services - 2 Yrs.	\$ 50,000	\$ 50,000		\$ 22,500		\$ 27,500
2022-0965-BOD-06-28-22	Desert Healthcare Foundation - Behavioral Health Initiative Expansion - 3 Yrs.	\$ 2,000,000	\$ 2,000,000		\$ 2,000,000		\$ -
2022-22-15-BOD-06-28-22	Carry over of remaining Fiscal Year 2021/2022 Funds*	\$ 2,566,566	\$ 2,566,566		\$ 2,566,566		\$ -
2022-1323-Mini-07-21-22	Alianza Nacional De Campesinas, Inc - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1321-Mini-07-25-22	Theresa A. Mike Scholarship Foundation - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1324-BOD-07-26-22	Galilee Center - Our Lady of Guadalupe Shelter - 2 Yr.			\$ 100,000		\$ 45,000	\$ 55,000
2022-1332-BOD-07-26-22	Alianza CV - Expanding and Advancing Outreach Through Increasing Capacity Development - 2 Yrs.			\$ 100,000		\$ 22,500	\$ 77,500
2022-1322-Mini-08-13-22	Hanson House Foundation, Inc. - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1329-BOD-09-27-22	DPMG - Mobile Medical Unit - 3 Yrs.			\$ 500,000		\$ 50,000	\$ 450,000
2022-1350-BOD-09-27-22	JFK Memorial Foundation - Behavioral Health Awareness and Education Program - 1 Yr.			\$ 57,541		\$ 25,893	\$ 31,648
2022-1355-BOD-09-27-22	Joslyn Center - The Joslyn Wellness Center - 1 Yr.			\$ 85,000		\$ 38,250	\$ 46,750
2022-1361-BOD-09-27-22	DAP Health - DAP Health Monkeypox Virus Response - 1 Yr.			\$ 586,727		\$ 228,362	\$ 358,365
2022-1364-Mini-10-25-22	Al Horton Memorial Rotary Foundation - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1356-BOD-10-25-22	Blood Bank of San Bernardino/Riverside Counties - Coachella Valley Therapeutic Apheresis Program - 1 Yr.			\$ 140,000		\$ 63,000	\$ 77,000
2022-1358-BOD-10-25-22	Foundation for Palm Springs Unified School District - School-Based Wellness Center Project - 1 Yr.			\$ 110,000		\$ 49,500	\$ 60,500
2022-1362-BOD-10-25-22	Jewish Family Service of the Desert - Mental Health Counseling Services for Underserved - 2 Yrs.			\$ 160,000		\$ 36,000	\$ 124,000
2022-1326-BOD-12-20-22	TODEC - TODEC's Equity Program - 2 Yrs.			\$ 100,000		\$ 22,500	\$ 77,500
2022-1330-BOD-12-20-22	OneFuture Coachella Valley - Building a Healthcare Workforce Pipeline - 2 Yrs.			\$ 605,000		\$ 68,063	\$ 536,937
2022-1369-BOD-12-20-22	ABC Recovery Center - Cost of Caring Fund Project - 1 Yr.			\$ 332,561		\$ 74,826	\$ 257,735
2023-1357-Mini-01-09-23	Desert Recreation Foundation - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1333-BOD-01-24-23	Organizacion en California de Lideres Campesinas - Healthcare Equity for ECV Farmworker Women - 2 Yrs.			\$ 150,000		\$ 33,750	\$ 116,250
2023-1363-BOD-01-24-23	Pegasus Riding Academy - Pegasus Equine Assisted Therapy - 1 Yr.			\$ 60,092		\$ 27,040	\$ 33,052
2023-1375-Mini-01-30-23	California CareForce - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1374-Mini-02-10-23	Alianza Nacional De Campesinas, Inc - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1373-Mini-02-14-23	Palms To Pines Parasports - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1370-Mini-02-15-23	HIV+ Aging Research Project-Palm Springs - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1372-BOD-02-28-23	Reynaldo J. Carreon MD Foundation - Dr. Carreon Scholarship Program - 1 Yr.			\$ 50,000		\$ 22,500	\$ 27,500
TOTAL GRANTS		\$ 16,670,644	\$ 10,552,067	\$ 3,206,922	\$ 5,252,600	\$ 877,184	\$ 7,629,205
Amts available/remaining for Grant/Programs - FY 2022-23:							
Amount budgeted 2022-2023			\$ 4,000,000			G/L Balance:	4/30/2023
Amount granted through April 30, 2023:			\$ (3,206,922)			2131	\$ 4,109,205
Financial Audits of Non-Profits; Organizational Assessments			\$ -			2281	\$ 3,520,000
Net adj - Grants not used: FY 21-22 Funds			\$ 2,566,566				
Matching external grant contributions			\$ -			Total	\$ 7,629,205
Balance available for Grants/Programs			\$ 3,359,644				\$ 0
* 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

May 10, 2023

The annual budget preparation process is underway, with the FY23-24 draft budget to be presented at today's May F&A Committee meeting.

The annual audit begins this month, with interim fieldwork the week of May 22-26. Yearend fieldwork is scheduled for the week of July 31- August 4.

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

93.1% currently occupied –

Total annual rent including CAM fees is **\$1,411,758**.

Leasing Activity:

3 suites (1E-204, 2W-102, & 2W-103/104) are now vacant and available for lease. Rob Wenthold, our broker, will be showing the suites to prospective tenants.

As a follow-up to the January 2023 Security Coverage staff report, a new proposed security option will also be presented which will be a reduced expense compared to the current system but includes expanded coverage.

Las Palmas Medical Plaza

Unit Rental Status

As of May 1, 2023

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									
											\$ 0.80		
1E, 204	Vacant					880	1.78%						
2W, 102	Vacant					640	1.30%						
2W, 103-104	Vacant					1,878	3.81%						
Total - Vacancies						3,398	6.88%						
Total Suites - 32 - 29 Suites Occupied		\$58,583.40				49,356	93.1%	\$ 80,883.32	\$ 970,599.84	\$ 1.76	\$ 36,763.20	\$ 117,646.52	\$ 1,411,758.24
Summary - All Units													
			Occupied	45,958	93.1%								
			Vacant	3,398	6.9%								
			Pending	0	0.0%								
			Total	49,356	100%								



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: May 23, 2023
To: Board of Directors
Subject: FY 2023-2024 Annual Budget Review and Consideration of Approval

Staff Recommendation: Consideration to approve the FY 2023-2024 Annual Budget.

Information:
District

1. FY23 has been a good year. Property tax revenue has continued to increase above projections. Administrative expenses continued significantly less due to remote work and virtual meetings.
2. The economy continues in a recessionary state, aided by the effects of the increasing Federal Reserve interest rate (10 rate hikes in 14 months) and increasing inflation. The stock and bond markets, although improved during the fiscal year, continue to be somewhat unstable and unpredictable, going into FY24.
3. Property taxes are anticipated to remain high, with new construction enhancing the District's expected property tax revenue in FY24. Administrative expenses are anticipated to increase, as in-person meetings will increase and travel is back on track.
4. The FY23-24 annual budget reflects the following highlights:
5. 4010 Property Tax Revenue – budget reflects a 4% increase over the current year.
6. 4220 & 9999-1 Interest Income – Net interest income will remain highly unpredictable with the bond market affected by the recession, inflation, and the Fed interest rate adjustments.
7. 4505-4513 Las Palmas Medical Plaza Rent and CAM Revenue –
 - Rental Income reflects an occupancy of 96-100%.
 - CAM Revenue includes a rate of \$.80 per square foot.
8. 5110 – Salaries and Wages – Increases include Cost of Living (COLA) and Merit.
 1. COLA - Due to rising inflation and cost of living, the latest Consumer Price Index for Riverside County (6%). The following is reflected in the Salaries and Wages on Page 9 of the Budget:
 - Effective July 1, 2023 – 6% increase
 2. Merit – 5% has been the normal annual merit increase. During this year of continued COLA increase, the FY24 budget includes a merit increase of 3%.
 - Effective November 1, 2023 – 3% increase
9. 6516 – Professional Services - \$1,250,000 includes \$1,000,000 for the continued work surrounding seismic and lease renewal issues with Desert Regional Medical Center.
10. 7010 Grant-Making Budget of \$4,000,000 for the fiscal year supported by the Board's 5-year strategic plan.

Foundation

11. 4000 Gifts & Contributions – includes \$80,000 in sponsorships towards the annual collaborators’ recognition event listed below in 5102.
 12. 4003 Grants Income – includes \$824,000 estimated county grants, \$650,000 estimated external state and federal grants, and \$750,000 operating grant from DHCD.
 13. 8015 & 8040 Investment Income – The investments in the Foundation are subject to fluctuations in the stock market.
 14. 5101 & 5102 Salaries and Wages - \$602,623 of salaries and wages expense is allocated to the Foundation from the District. \$172,188 will be charged to the Behavioral Health collective fund grant for the Senior Program Officer - Behavioral Health. \$204,848 is allocated to the federal grant administrative funds.
 15. 5102 - \$100,000 is included for internal CVEC administrative expenses and \$130,000 for the annual collaborators’ recognition event.
 16. 8051 Grant Expense – \$2,674,000 anticipated grant expenses. A portion of this is attributed to grant revenue recognized in prior years as a result of the updated accounting standing for grant accounting for the Foundation.
- At the May 10, 2023, Finance & Administration Committee meeting, the Committee recommended forwarding to the Board for consideration of approval.

Fiscal Impact:

District – Net Income \$757,126

Foundation – Net Loss (\$1,120,036)

DESERT HEALTHCARE DISTRICT									
FY 2023 - 2024 BUDGET									
DRAFT					INDEX				
7/1/2023 - 6/30/2024									
<u>PAGE</u>									
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DESERT HEALTHCARE DISTRICT
FY 2023 - 2024 BUDGET
ASSUMPTIONS - MAJOR LINE ITEMS GREATER THAN \$50,000
7/1/2023 - 6/30/2024

DRAFT			
G/L		Preliminary	
Account Number	Account Description	Annual Projected Amount	Assumption
6	REVENUES		
4010	Property Tax	\$ 8,840,000	4% increase
4220	Interest Income - FRF	\$ 1,020,000	Coupon Rate - 2.5%
9999-1	Unrealized Gain FRF	\$ (1,000,000)	Investment portfolio's unrealized gains/(losses)
		\$ 20,000	Net Interest Income
4501	Other Income	\$ 9,000	Land Lease
4505	LPMP - Rental Income	\$ 1,123,200	Average \$94k per month
4509-11	LPMP - CAM Income	\$ 276,480	CAM charges to tenants to cover common area expenses - \$.80 per sq ft.
	EXPENSES		
	Desert Healthcare District		
5110	Salary and Wages	\$ 1,573,905	See Directors and Employees Expenses for details. Pg 8
5111	Allocation to LPMP-CAO(20%)&AM(25%)+OH	\$ (78,469)	Allocation of CAO and Accounting Manager to LPMP
5112	Vacation and sick pay accrual	\$ 180,000	Accrual for earned vacation and sickpay
5114/5119	Alloc to Foundation - All Staff	\$ (602,624)	District staff allocation of payroll and benefits to Foundation to provide services
5131	Benefit Premiums - Staff	\$ 269,470	See Directors and Employees Expenses for details. Pg 8
5145	Retirement Plan	\$ 125,831	Staff Retirement Plan - 8% employer contribution to 401(a) plan
5211	Directors - Health Ins	\$ 50,252	See Directors and Employees Expenses for details. Pg 8
5235	Directors - Stipend Expense	\$ 41,580	See Directors and Employees Expenses for details. Pg 8
6120	Bank & Investment Fees	\$ 62,400	Investment fees reduced 50% by Highmark Capital
6125/6126	Depreciation	\$ 244,307	Office equipment, Software and Parking lot/Solar Panels, Autos depreciation
6516	Professional Fees	\$ 1,236,458	Utilize independent contractors to provide professional project oversight skills, hospital lease consulting, seismic consulting, Board workshops, and other professional services.
6560	Legal - General	\$ 156,000	Legal fees for operational coverage, potential litigation, and policy review
6725	RPP Contributions Accrual	\$ 60,000	Pension Expenses for Retirement Protection Plan
7010	Community investments - Grants	\$ 4,000,000	See grants/programs schedule - Pg 10
	Las Palmas Medical Plaza		
6425	Building Depreciation	\$ 306,744	40 year Depreciation period
6426	Tenant Improv - Amortization	\$ 215,000	Tenant Improvements amortized over life of each tenant's lease

DESERT HEALTHCARE DISTRICT
FY 2023 - 2024 BUDGET
ASSUMPTIONS - MAJOR LINE ITEMS GREATER THAN \$50,000
7/1/2023 - 6/30/2024

DRAFT			
		Preliminary	
G/L		Annual	
Account Number	Account Description	Projected Amount	Assumption
6440	Professional Fees Expense	\$ 137,820	Property maintenance company - includes prevailing wage
6475	Property Taxes - Las Palmas	\$ 79,800	District is billed for the property tax and incorporates the tax in the CAM based on sq. ft.of suite
6485	Security	\$ 160,000	Security coverage 18 hrs per day Mon-Fri
CASH FLOW			
<u>Cash Receipts:</u>			
	Property Taxes	\$ 8,840,000	4% increase
	Interest - NET	\$ 20,000	Coupon Rate - 2.5% and estimated unrealized gains/(losses)
	LPMP	\$ 1,400,680	Rental and Common Area Maintenance
	Other Income	\$ 33,000	Airways Rental & Land Lease
	Due from DHCF - Expense Allocation	\$ 602,624	Allocation of District staff expense to perform Foundation business
<u>Cash Disbursements:</u>			
	Operations	\$ 5,330,020	See Statement of Operations - Excludes non-cash items i.e. depreciation and amortization
	Existing liabilities - Proj for disbursement	\$ 100,000	Projected liabilities as of 6/30/23 excluding grants
	Program/Grant Payments - Existing	\$ 6,932,262	See Grants cash flow statement. Pg 10-11
	Program/Grant Payments - New	\$ 2,250,000	See Grants cash flow statement. Pg 10-11
<u>LPMP:</u>			
	Normal recurring expenses	\$ 627,220	See Statement of Operations for details. Pg 7
	Bldg & Tenant Improvements	\$ 350,000	Various - including landscape grading, suite renovations, lease renewals and TI's for new tenants

DESERT HEALTHCARE DISTRICT						
CASH FLOW PROJECTION						
FY 2023 - 2024 BUDGET						
7/1/2023 - 6/30/2024						
DRAFT						
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	
Beginning Cash/Investment Balance:	\$ 65,673,891	\$ 63,750,045	\$ 62,178,945	\$ 61,941,318	\$ 65,673,891	
6						
Property Taxes	592,280	1,529,320	2,846,480	3,871,920	8,840,000	
Interest	5,000	5,000	5,000	5,000	20,000	
LPMP	350,170	350,170	350,170	350,170	1,400,680	
Due from Desert Healthcare Foundation-Exp Allocation	150,656	150,656	150,656	150,656	602,624	
Other Income - NEOPB grant, Airways, Etc	8,250	8,250	8,250	8,250	33,000	
Total Receipts	1,106,356	2,043,396	3,360,556	4,385,996	10,896,304	
Cash Disbursements:						
Ops-net of Deprec/amort/grants	1,248,328	1,349,756	1,344,059	1,387,877	5,330,020	
Existing Liabilities Exclg Grants	100,000	-	-	-	100,000	
Existing Grant/Prog Payments	1,392,569	1,260,434	1,249,820	3,029,440	6,932,262	
Programs and Grants payments	-	750,000	750,000	750,000	2,250,000	
Capital Equipment Reqmnts:						
Computer/Office Furn/Other	15,000	5,000	5,000	5,000	30,000	
Computer/Office Furn/Other-East Valley Office	30,000	5,000	5,000	5,000	45,000	
LPMP:						
Normal recurring-Operations	156,805	156,805	156,805	156,805	627,220	
Tenant/building Improvements - normal recurring	87,500	87,500	87,500	87,500	350,000	
Total Cash Disbursements	\$ 3,030,202	\$ 3,614,496	\$ 3,598,184	\$ 5,421,621	\$ 15,664,502	
Ending Cash/Investment Balance	\$ 63,750,045	\$ 62,178,945	\$ 61,941,318	\$ 60,905,692	\$ 60,905,692	

DESERT HEALTHCARE DISTRICT			
SUMMARY - BUDGET - FY 2023-2024			
DRAFT			
			Net Income
	Income	Expense	(Loss)
6			
District Operations	\$ 8,893,000	\$ 8,286,572	\$ 606,428
LPMP Operations	\$ 1,400,680	\$ 1,249,982	\$ 150,698
Total	\$ 10,293,680	\$ 9,536,554	757,126

DESERT HEALTHCARE DISTRICT									
FY 2023 - 2024 BUDGET									
STATEMENT OF INCOME AND EXPENSE INCLUDING LPMP									
7/1/2023 - 6/30/2024									
DRAFT	Budget	Projected	Budget					Budget	Inc(Dec)
	Fiscal Yr	6/30/23	VS					Fiscal Yr	Budget
	FYE 6/30/23	Balance	Proj	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2023-2024	Vs Proj
								Total	Prior Yr
INCOME									
4010 · Property Tax Revenues	8,024,000	8,474,328	450,328	2,210,000	2,210,000	2,210,000	2,210,000	8,840,000	365,672
4220 · Unrestricted Interest Income - FRF	900,000	969,013	69,013	255,000	255,000	255,000	255,000	1,020,000	50,987
9999-1 · Unrealized Gain or (Loss) FRF	(1,600,000)	(203,980)	1,396,020	(250,000)	(250,000)	(250,000)	(250,000)	(1,000,000)	(796,020)
Net Investment Income - FRF	(700,000)	765,033	1,465,033	5,000	5,000	5,000	5,000	20,000	(745,033)
4330 · Collection Agency Recoveries	-	-	-	-	-	-	-	-	-
4350 · Rental - Airways	24,000	24,000	-	6,000	6,000	6,000	6,000	24,000	-
4505-4513 · LPMP - Rental Income	1,355,988	1,480,421	124,432	350,170	350,170	350,170	350,170	1,400,680	(79,741)
4501 · Other Income	9,000	6,750	(2,250)	2,250	2,250	2,250	2,250	9,000	2,250
Total Income	8,712,988	10,750,532	2,037,544	2,573,420	2,573,420	2,573,420	2,573,420	10,293,680	(456,852)
EXPENSES									
5110 · Salaries and Wages	1,456,125	1,316,994	(139,132)	326,818	422,314	377,203	447,570	1,573,905	256,911
5111-Alloc to LPMP-CC(17.5%)&ET(25%)+OH	(65,636)	(76,359)	(10,724)	(19,617)	(19,617)	(19,617)	(19,617)	(78,469)	(2,110)
5119 - Alloc to FND-CVEC & Federal Funds	(165,870)	(271,511)	(105,641)	(51,212)	(51,212)	(51,212)	(51,212)	(204,848)	66,663
5112 - Accrued vacation/sick -	140,000	174,473	34,473	45,000	45,000	45,000	45,000	180,000	5,527
5114 - Alloc Foundation -PR & Benefits	(335,232)	(337,388)	(2,156)	(99,444)	(99,444)	(99,444)	(99,444)	(397,775)	(60,387)
5120 · Payroll Tax Expense	115,593	111,316	(4,277)	28,444	28,506	32,299	37,682	126,930	15,615
5131 · Benefit Premiums	258,916	231,468	(27,449)	65,724	65,724	69,011	69,011	269,470	38,003
5135 · Reimbursements/Co-Payments	23,400	14,461	(8,939)	5,850	5,850	5,850	5,850	23,400	8,939
5140 · Workers Comp	4,788	5,451	662	1,487	1,869	1,689	1,970	7,016	1,565
5145 - Retirement Plan Expense	106,744	118,750	12,007	28,412	33,901	29,316	34,202	125,831	7,081
5160 · Education/Conferences - Staff	85,000	26,473	(58,527)	25,000	25,000	25,000	25,000	100,000	73,527
5211 · Health Insurance-BOD	50,252	52,001	1,749	3,288	3,288	40,388	3,288	50,252	(1,749)
5230 · BOD Meeting/Conference Expense	32,000	16,778	(15,222)	11,125	11,125	11,125	11,125	44,500	27,722
5235- Director Stipend Expense	41,580	34,315	(7,265)	10,395	10,395	10,395	10,395	41,580	7,265
5240 · BOD Catering Expense	10,000	9,745	(255)	3,000	3,000	3,000	3,000	12,000	2,255
5250 · BOD Mileage Reimbursement	2,500	555	(1,945)	625	625	625	625	2,500	1,945
5270 · BOD Election Fees	100,000	100,000	-	-	-	-	-	-	(100,000)
6110 - Payroll fees expense	2,500	1,891	(609)	625	625	625	625	2,500	609
6120 · Bank and Investment Fees	54,000	62,370	8,370	15,600	15,600	15,600	15,600	62,400	30
6125 · Depreciation Expense	59,000	16,447	(42,553)	6,000	6,000	6,000	6,000	24,000	7,553
6126 · Depreciation - Solar panels - Parking	180,864	180,864	-	45,216	45,216	45,216	45,216	180,864	-
6127 · Depreciation - Autos	-	22,530	22,530	9,861	9,861	9,861	9,861	39,443	16,913
6130 · Dues and Memberships	49,906	51,514	1,608	16,154	16,154	16,154	16,154	64,615	13,101
6220 · Ongoing Insurance Coverage	32,000	47,414	15,414	14,850	14,850	14,850	14,850	59,400	11,986
6300 · Minor Equipment	500	-	(500)	125	125	125	125	500	500
6305 · CEO Auto Allowance	6,000	6,232	232	1,500	1,500	1,500	1,500	6,000	(232)
6306-Staff Auto Mileage Reimbursement	7,500	3,698	(3,802)	1,875	1,875	1,875	1,875	7,500	3,802
6309 - Personnel Expense	4,500	599	(3,901)	1,125	1,125	1,125	1,125	4,500	3,901
6310 · Miscellaneous Expense	500	-	(500)	125	125	125	125	500	500
6311 · Cell phone expense	8,700	7,636	(1,064)	2,700	2,700	2,700	2,700	10,800	3,164
6312 - Wellness Park Expense	1,000	-	(1,000)	250	250	250	250	1,000	1,000
6315 - Security Monitoring Expense	600	471	(129)	150	150	150	150	600	129
6325 - CEO Discretionary Fund	25,000	50,000	25,000	12,500	12,500	12,500	12,500	50,000	(0)
6343 · Postage Expense	4,000	1,989	(2,011)	1,000	1,000	1,000	1,000	4,000	2,011
6350 · Copier Rental/Fees	6,000	4,861	(1,139)	1,500	1,500	1,500	1,500	6,000	1,139

LAS PALMAS MEDICAL PLAZA									
FY 2023 - 2024 BUDGET									
STATEMENT OF INCOME AND EXPENSE									
7/1/2023 - 6/30/2024									
DRAFT		Proj	Budget					Budget	Inc(Dec)
	Budget	6/30/23	VS					Fiscal Yr	Budget
	FYE 6/30/23	Balance	Proj	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	Vs Proj
									Prior Yr
INCOME									
4505 · LPMP - Rental Income	960,218	1,008,722	48,504	280,800	280,800	280,800	280,800	1,123,200	114,479
4510 · LPMP - CAM Income-Billed	394,771	471,699	76,928	69,120	69,120	69,120	69,120	276,480	(195,219)
4513 · LPMP - Misc Income	1,000	-	(1,000)	250	250	250	250	1,000	1,000
Total Income	1,355,988	1,480,421	124,432	350,170	350,170	350,170	350,170	1,400,680	(79,741)
EXPENSES									
6420 · Insurance	37,500	52,055	14,555	12,150	12,150	12,150	12,150	48,600	(3,455)
6424 · Parking lot replacement - Deprec	22,549	22,549	0	5,637	5,637	5,637	5,637	22,549	(0)
6425 · Building - Depreciation Expense	306,744	294,906	(11,838)	76,686	76,686	76,686	76,686	306,744	11,838
6426 · Tenant Improv - Depreciation	200,000	204,502	4,502	53,750	53,750	53,750	53,750	215,000	10,498
6427 · HVAC Maintenance	16,000	9,420	(6,580)	4,000	4,000	4,000	4,000	16,000	6,580
6428 · Roof Repairs	2,500	-	-	625	625	625	625	2,500	2,500
6431 · Building - Interior	7,500	4,400	(3,100)	1,875	1,875	1,875	1,875	7,500	3,100
6432 · Plumbing - Interior	8,000	11,230	3,230	2,500	2,500	2,500	2,500	10,000	(1,230)
6433 · Plumbing - Exterior	2,500	-	(2,500)	625	625	625	625	2,500	2,500
6434 · Alloc-Internal Property Managmnt	65,636	76,359	10,724	19,617	19,617	19,617	19,617	78,469	2,110
6435 · Bank Charges	500	473	(27)	125	125	125	125	500	27
6437 · Utilities - Vacant Units	2,200	(1,404)	(3,604)	550	550	550	550	2,200	3,604
6439 · Deferred Maintenance Repairs	15,000	24,518	9,518	5,500	5,500	5,500	5,500	22,000	(2,518)
6440 · Professional Fees Expense	133,800	133,475	(325)	34,455	34,455	34,455	34,455	137,820	4,345
6441 · Legal	1,000	-	(1,000)	250	250	250	250	1,000	1,000
6458 · Elevators - Contract	12,000	8,309	(3,691)	3,250	3,250	3,250	3,250	13,000	4,691
6460 · Exterminating Services	4,000	17,160	13,160	3,000	3,000	3,000	3,000	12,000	(5,160)
6463 · Landscaping	9,000	10,791	1,791	2,750	2,750	2,750	2,750	11,000	209
6467 · Lighting	6,000	-	(6,000)	1,250	1,250	1,250	1,250	5,000	5,000
6468 · Maint. General	1,000	1,230	230	250	250	250	250	1,000	(230)
6471 · Marketing	15,000	8,561	(6,439)	3,750	3,750	3,750	3,750	15,000	6,439
6475 · Property Taxes	78,000	75,000	(3,000)	19,950	19,950	19,950	19,950	79,800	4,800
6476 · Signage Expense	1,500	11,997	10,497	1,875	1,875	1,875	1,875	7,500	(4,497)
6480 · Rubbish Removal Medical Waste	18,000	15,280	(2,720)	4,500	4,500	4,500	4,500	18,000	2,720
6481 · Rubbish Removal	36,696	32,388	(4,308)	8,700	8,700	8,700	8,700	34,800	2,412
6482 · Utilities/Electricity/Exterior	7,500	6,419	(1,081)	1,875	1,875	1,875	1,875	7,500	1,081
6484 · Utilities - Water (Exterior)	7,500	9,247	1,747	2,500	2,500	2,500	2,500	10,000	753
6485 · Security	110,500	124,592	14,092	40,000	40,000	40,000	40,000	160,000	35,408
6455 · Bad Debt Expense	0	-	-	0	0	0	0	0	-
6490 · Miscellaneous	2,000	366	(1,634)	500	500	500	500	2,000	1,634
Total Expenses	1,130,125	1,153,824	23,699	312,495	312,495	312,495	312,495	1,249,982	96,158
Net Income	225,864	326,597	100,733	37,675	37,675	37,675	37,675	150,698	
Non-Cash and other items:									
Depreciation	529,293	521,958	(7,335)	136,073	136,073	136,073	136,073	544,293	
Total Depreciation/Payroll alloc	594,929	598,317	3,388	155,690	155,690	155,690	155,690	622,762	
Net Cash Flow for expenses	535,196	555,507	20,311	156,805	156,805	156,805	156,805	627,220	
Total cash provided	820,792	924,914	104,122					773,460	

DESERT HEALTHCARE DISTRICT							
STAFFING - BUDGET 2023-2024							
DRAFT			BOD Approved	Approved	Proposed FY 23-24		
Job Title	FT PT	Job Status	Salary Range	Salary FY22-23	Title Change	Salary Range	Salary
Current							
Chief Executive Officer	FT	Exempt	225,000 - 275,000	\$ 271,360		225,000 -320,000	
Chief Administration Officer	FT	Exempt	175,000 - 225,000	\$ 215,852		175,000 - 255,000	
Chief Program Officer	FT	Exempt	130,000 - 165,000	\$ 155,738		130,000 - 185,000	
Chief of Community Engagement	FT	Exempt	110,000 - 150,000	\$ 144,942		110,000 - 170,000	
Director - Communications & Marketing	FT	Exempt	100,000 - 140,000	\$ 134,478		100,000 - 155,000	
Senior Program Officer - Behavioral Health	FT	Exempt	100,000 - 135,000	\$ 130,522		100,000 - 155,000	
Senior Program Officer - Public Health	FT	Exempt	90,000 - 125,000	\$ 106,791		90,000 - 125,000	
Special Assist to the CEO/Board Relations	FT	Non-Exempt	60,000 - 95,000	\$ 90,378		60,000 - 105,000	
Accounting Manager	FT	Non-Exempt	60,000 - 95,000	\$ 84,901		60,000 - 105,000	
Administrative Assistant	FT	Non-Exempt	45,000 - 75,000	\$ 71,268		60,000 - 95,000	
Program Assistant	FT	Non-Exempt	55,000 - 80,000	\$ 64,640		55,000 - 80,000	
Communications Assistant	FT	Non-Exempt	45,000 - 75,000	\$ 49,140		45,000 - 75,000	
Senior Development Officer	FT	Exempt	80,000 - 110,000			80,000 - 110,000	
Public Policy Analyst	FT	Exempt	70,000,-,100,000			70,000,-,100,000	

DESERT HEALTHCARE DISTRICT									
DIRECTORS AND EMPLOYEE EXPENSES - BUDGET 2023-2024									
HEALTH AND OTHER HEALTH RELATED INCLUDING INSURANCE EXPENSES									
7/1/2023 - 6/30/2024									
DRAFT									
Employee Name	Job Title	FT	PT	Annual Wage	QTR 1	QTR 2	QTR 3	QTR 4	Total Wages
# of Payrolls					6	7	6	7	26
Conrado Barzaga	Chief Executive Officer	FT	*	\$ 271,360	\$ 62,622	\$ 73,058	\$ 62,622	\$ 73,058	\$ 271,360
Chris Christensen	Chief Administration Officer	FT	*	\$ 215,852	\$ 49,812	\$ 58,114	\$ 49,812	\$ 58,114	\$ 215,852
Donna Craig	Chief Program Officer	FT	*	\$ 155,738	\$ 35,940	\$ 41,929	\$ 35,940	\$ 41,929	\$ 155,738
Alejandro Espinoza	Chief of Community Engagement	FT	*	\$ 144,942	\$ 33,448	\$ 39,023	\$ 33,448	\$ 39,023	\$ 144,942
Will Dean	Director - Communications & Marketing	FT	*	\$ 134,478	\$ 31,033	\$ 36,206	\$ 31,033	\$ 36,206	\$ 134,478
Jana Trew	Senior Program Officer - Behavioral Health	FT	*	\$ 130,522	\$ 30,120	\$ 35,141	\$ 30,120	\$ 35,141	\$ 130,522
Meghan Kane	Senior Program Officer - Public Health	FT	*	\$ 106,791	\$ 24,644	\$ 28,751	\$ 24,644	\$ 28,751	\$ 106,791
Andrea Hayles	Special Assist to the CEO/Board Relations	FT	*	\$ 90,378	\$ 20,856	\$ 24,333	\$ 20,856	\$ 24,333	\$ 90,378
Eric Taylor	Accounting Manager	FT	*	\$ 84,901	\$ 19,593	\$ 22,858	\$ 19,593	\$ 22,858	\$ 84,901
Erica Huskey	Grants Manager	FT	*	\$ 71,268	\$ 16,446	\$ 19,188	\$ 16,446	\$ 19,188	\$ 71,268
Sergio Rodriguez	Program Assistant	FT	*	\$ 64,640	\$ 14,917	\$ 17,403	\$ 14,917	\$ 17,403	\$ 64,640
Consuelo Marquez	Communications Assistant	FT		\$ 49,140	\$ 11,340	\$ 13,230	\$ 11,340	\$ 13,230	\$ 49,140
Vacant	Senior Development Officer	FT		\$ 90,000	\$ -	\$ 24,231	\$ 20,769	\$ 24,231	\$ 69,231
Vacant	Public Policy Analyst	FT		\$ 80,000	\$ -	\$ -	\$ 18,462	\$ 21,538	\$ 40,000
Cost of Living Increase 6%	Effective 7/1/23				\$ 21,046	\$ 24,554	\$ 21,046	\$ 24,554	\$ 91,201
Merit 3% Increase	Effective 11/1/23				\$ -	\$ 9,295	\$ 11,155	\$ 13,014	\$ 33,464
Total					\$ 371,818	\$ 467,314	\$ 422,203	\$ 492,570	\$ 1,753,905
								Less Vacation	\$ 1,573,905
								Total District & Taxes & Benefits	\$ 2,306,553
								Net District - Salaries	\$ 1,598,626
								Net District - Net of Taxes & Benefits	\$ 1,703,929
EMPLOYER									
FICA					23,053	21,730	26,177	30,539	\$ 101,499
MEDICARE					5,391	6,776	6,122	7,142	\$ 25,432
Total					\$ 28,444	\$ 28,506	\$ 32,299	\$ 37,682	\$ 126,930
BENEFITS - Excludes deductibles									
Health					54,078	54,078	56,782	56,782	\$ 221,720
ST/LT Disability/Life					6,006	6,006	6,306	6,306	\$ 24,625
Co-Power					5,640	5,640	5,923	5,923	\$ 23,126
Total					\$ 65,724	\$ 65,724	\$ 69,011	\$ 69,011	\$ 269,470
Copays/Deductibles - Employees					5,850	5,850	5,850	5,850	\$ 23,400
Workers Comp					1,487	1,869	1,689	1,970	\$ 7,016
401A Plan					28,412	33,901	29,316	34,202	\$ 125,831
								Burden Rate>	35%
DIRECTORS									
Active Directors	Approved at May 22, 2018 BOD meeting								
Premiums - up to \$10,600/Director					3,288	3,288	40,388	3,288	\$ 50,252
Stipend - \$110/meeting - up to 6 meetings/month					10,395	10,395	10,395	10,395	\$ 41,580
Total					13,683	13,683	50,783	13,683	\$ 91,832

**DESERT HEALTHCARE DISTRICT
CASH FLOW - PROGRAM DEPARTMENT - BY QUARTER
FY 2023 - 2024 BUDGET
7/1/2023 - 6/30/2024**

DRAFT

	Total Open	2023 - 2024					2024 - 2025					
		Amount	Qtr1	Qtr2	Qtr3	Qtr4	Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Existing Grants for PHI:												
Existing Approved - Grants	\$ 8,943,887	\$ 1,392,569	\$ 1,260,434	\$ 1,249,820	\$ 3,029,440	\$ 6,932,262	\$ -	\$ -	\$ -	\$ 2,051,625	\$ 2,051,625	
6												
Community Investments - Grants & Programs from the 2021-2026 Strategic Plan Goals:												
Goal #1: Proactively increase financial resources DHCD/F can apply to support community health needs												
Goal #2: Proactively expand community access to primary and specialty care services												
Goal #3: Proactively expand community access to behavioral /mental health services												
Goal #4: Proactively measure and evaluate the impact of DHCD/F-funded programs and services on the health of community residents												
Goal #5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents												
Goal #6: Be responsive to and supportive of selected community initiatives that enhance the environment in the District's service area												
Goal #7: Be responsive to and supportive of selected community initiatives that enhance the general education of the District's residents												
Total New Grants/Programs/capital project	\$ 4,000,000	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,250,000	\$ 750,000	\$ 750,000	\$ 250,000	\$ -	\$ 1,750,000	
Grand Total all Grants/Programs	\$ 12,943,887	\$ 1,392,569	\$ 2,010,434	\$ 1,999,820	\$ 3,779,440	\$ 9,182,262	\$ 750,000	\$ 750,000	\$ 250,000	\$ 2,051,625	\$ 3,801,625	

DESERT HEALTHCARE DISTRICT								
CASH FLOW - PROGRAM DEPARTMENT								
FY 2023 - 2024 BUDGET								
7/1/2023 - 6/30/2024								
DRAFT		Projected						Projected
		Balance	2023 - 2024					Balance
Existing Grants:	Name	Bal - Fwd	Qtr1	Qtr2	Qtr3	Qtr4	Total	6/30/2024
Grants:								
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 3,320,000	\$ -	\$ -	\$ -	\$ 1,670,000	\$ 1,670,000	\$ 1,650,000
2021-1296-BOD-11-23-21	Coachella Valley Volunteers In Medicine - Improving Access to Healthcare Services - 1 Yr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022-1301-BOD-01-25-22	UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022-1302-BOD-01-25-22	Vision To Learn - Palm Springs, Desert Sands, and Coachella Valley School Districts 1 Yr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022-1303-BOD-01-25-22	CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022-1306-BOD-02-22-22	Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022-1311-BOD-04-26-22	Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022-1313-BOD-04-26-22	Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities	\$ 7,680	\$ 7,680	\$ -	\$ -	\$ -	\$ 7,680	\$ -
2022-1314-BOD-05-24-22	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 6,000	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2022-1325-BOD-06-28-22	Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs.	\$ 67,500	\$ 33,750	\$ -	\$ 33,750	\$ -	\$ 67,500	\$ -
2022-1327-BOD-06-28-22	Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs.	\$ 38,750	\$ 11,250	\$ -	\$ 11,250	\$ 16,250	\$ 38,750	\$ -
2022-1328-BOD-06-28-22	El Sol - Expanding Access to Educational Resources for Promotoras - 2 Yrs.	\$ 106,250	\$ 33,750	\$ -	\$ 33,750	\$ 38,750	\$ 106,250	\$ -
2022-1331-BOD-06-28-22	Pueblo Unido - Improving Access to Behavioral Health Education and Prevention Services - 2 Yrs.	\$ 27,500	\$ 11,250	\$ -	\$ 11,250	\$ 5,000	\$ 27,500	\$ -
2022-1324-BOD-07-26-22	Galilee Center - Our Lady of Guadalupe Shelter - 2 Yr.	\$ 55,000	\$ -	\$ 22,500	\$ -	\$ 32,500	\$ 55,000	\$ -
2022-1332-BOD-07-26-22	Alianza CV - Expanding and Advancing Outreach Through Increasing Capacity Development - 2 Yrs.	\$ 55,000	\$ -	\$ 22,500	\$ -	\$ 32,500	\$ 55,000	\$ -
2022-1329-BOD-09-27-22	DPMG - Mobile Medical Unit - 3 Yrs.	\$ 405,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000	\$ 205,000
2022-1350-BOD-09-27-22	JFK Memorial Foundation - Behavioral Health Awareness and Education Program - 1 Yr.	\$ 5,755	\$ -	\$ 5,755	\$ -	\$ -	\$ 5,755	\$ -
2022-1355-BOD-09-27-22	Joslyn Center - The Joslyn Wellness Center - 1 Yr.	\$ 8,500	\$ -	\$ 8,500	\$ -	\$ -	\$ 8,500	\$ -
2022-1361-BOD-09-27-22	DAP Health - DAP Health Monkeypox Virus Response - 1 Yr.	\$ 313,365	\$ 75,000	\$ 75,000	\$ 75,000	\$ 88,365	\$ 313,365	\$ 0
2022-1356-BOD-10-25-22	Blood Bank of San Bernardino/Riverside Counties - Coachella Valley Therapeutic Apheresis Program	\$ 77,000	\$ 63,000	\$ -	\$ 14,000	\$ -	\$ 77,000	\$ -
2022-1358-BOD-10-25-22	Foundation for Palm Springs Unified School District - School-Based Wellness Center Project - 1 Yr.	\$ 60,500	\$ 49,500	\$ -	\$ 11,000	\$ -	\$ 60,500	\$ -
2022-1362-BOD-10-25-22	Jewish Family Service of the Desert - Mental Health Counseling Services for Underserved - 2 Yrs.	\$ 124,000	\$ 36,000	\$ -	\$ 36,000	\$ 52,000	\$ 124,000	\$ -
2022-1326-BOD-12-20-22	TODEC - TODEC's Equity Program - 2 Yrs.	\$ 77,500	\$ 22,500	\$ -	\$ 22,500	\$ 32,500	\$ 77,500	\$ -
2022-1330-BOD-12-20-22	OneFuture Coachella Valley - Building a Healthcare Workforce Pipeline - 2 Yrs.	\$ 468,875	\$ 68,063	\$ 68,063	\$ 68,063	\$ 68,063	\$ 272,250	\$ 196,625
2022-1369-BOD-12-20-22	ABC Recovery Center - Cost of Caring Fund Project - 1 Yr.	\$ 182,909	\$ 74,826	\$ 74,826	\$ 33,257	\$ -	\$ 182,909	\$ -
2023-1333-BOD-01-24-23	Organizacion en California de Lideres Campesinas - Healthcare Equity for ECV Farmworker Women	\$ 116,250	\$ -	\$ 33,750	\$ -	\$ 82,500	\$ 116,250	\$ -
2023-1363-BOD-01-24-23	Pegasus Riding Academy - Pegasus Equine Assisted Therapy - 1 Yr.	\$ 33,052	\$ -	\$ 27,040	\$ -	\$ 6,012	\$ 33,052	\$ -
2023-1372-BOD-02-28-23	Reynaldo J. Carreon MD Foundation - Dr. Carreon Scholarship Program - 1 Yr.	\$ 27,500	\$ -	\$ 22,500	\$ -	\$ 5,000	\$ 27,500	\$ -
New Grants		\$ 3,015,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 1,900,000	\$ 1,115,000
	Remaining Grant Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 345,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 1,500,000	\$ (1,155,000)
Grand Total - Existing grants		\$ 8,943,887	\$ 1,392,569	\$ 1,260,434	\$ 1,249,820	\$ 3,029,440	\$ 6,932,262	\$ 2,011,625
Community Investments - Grants & Programs from the 2021-2026 Strategic Plan Goals:								
Goal #1: Proactively increase financial resources DHCD/F can apply to support community health needs								
Goal #2: Proactively expand community access to primary and specialty care services								
Goal #3: Proactively expand community access to behavioral /mental health services								
Goal #4: Proactively measure and evaluate the impact of DHCD/F-funded programs and services on the health of community residents								
Goal #5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents								
Goal #6: Be responsive to and supportive of selected community initiatives that enhance the environment in the District's service area								
Goal #7: Be responsive to and supportive of selected community initiatives that enhance the general education of the District's residents								
Total Grants/Programs - New		\$ 4,000,000	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,250,000	\$ 1,750,000
Grand Total - Grants/Programs		\$ 12,943,887	\$ 1,392,569	\$ 2,010,434	\$ 1,999,820	\$ 3,779,440	\$ 9,182,262	\$ 3,761,625

Desert Healthcare District					
2023-2024 Budget Detail					
DRAFT					
4010 - Property Tax Revenues					
	\$ 8,840,000	FY23 plus 4%			
4220 - Unrestricted Interest Income - FRF					
	Coupon rate of approx 2.5% produces less interest income				
	\$8M of maturities in 2024 with new purchases are anticipated to be at zero interest				
9999-1					
	Loss on investments is expected to continue through the decline in economy, but undetermined.				
5160 - Education/Conference - Staff					
	\$ 30,000	Educational seminars			
	\$ 12,000	Clear Impact RBA training			
	\$ 5,000	CEO Public Leadership Credential			
	\$ 30,000	Staff Education Reimbursement Program			
	\$ 8,000	ACHD Legislative Days, etc.			
	\$ 15,000	Miscellaneous			
	\$ 100,000				
5230 - BOD meeting/conference expense					
	\$ 20,000	Ticket policy (\$2,500 per director and CEO)			
	\$ 17,000	BOD Conference/Meeting Expense			
	\$ 7,500	Miscellaneous			
	\$ 44,500				
5270 - BOD Election Fees					
	\$ -	FYE 2025 (Nov 2024 Election)			
6130 - Dues & Subscriptions					
	\$ 9,000	CSDA annual membership			
	\$ 13,000	ACHD annual membership			
	\$ 1,470	CPA license & associations			
	\$ 3,500	Grantmakers in Health			
	\$ 5,000	SoCal Grantmakers			
	\$ 5,500	PolicyMap			
	\$ 4,800	Clear Impact			
	\$ 3,600	Clear Impact - COMPLYLES			
	\$ 2,000	Peak Grantmaking			
	\$ 1,500	Root Cause			
	\$ 1,000	NetFile			
	\$ 645	American Public Health Association			
	\$ 3,600	Guidestar Pro			
	\$ 10,000	Other			
	\$ 64,615				
6305 - CEO Auto Allowance					
	\$ 6,000	CEO - 500/month			
	\$ 6,000				

Desert Healthcare District					
2023-2024 Budget Detail					
DRAFT					
6311 - Cell Phone Expense					
	\$ 7,800	Current Bill			
	\$ 3,000	New Phones/Misc			
	\$ 10,800				
6325 - CEO Discretionary Fund					
	\$ 50,000	CEO Discretion			
6351 - Travel Expense					
	\$ 30,000	Travel for staff and BOD to conferences			
6352 - Meals & Entertainment Expense					
	\$ 10,000	Conferences/CEO lunch engagements			
	\$ 10,000	Chase Awards - DAP			
	\$ 9,000	Holiday Celebration			
	\$ 29,000				
6355 - Computer					
	\$ 7,000	FOUNDANT - Grant software-paid 2 years in FY23			
	\$ 12,000	IT support			
	\$ 3,000	TWC			
	\$ 15,000	Other			
	\$ 37,000				
6360 - Supplies					
	\$ 22,000	Current			
		Additional staff, etc.			
	\$ 22,000				
6380 - LAFCO Assessment					
	\$ 2,500				
6405 - Office - Rent					
	\$ 24,000	2000/month			
	\$ 1,200	misc			
	\$ 25,200				

Desert Healthcare District					
2023-2024 Budget Detail					
DRAFT					
6516 - Professional Fees					
	\$ 1,000,000	Facilities/Programs/Services/Lease/Seismic			
	\$ 30,000	Board Development			
	\$ 114,000	Strategies 360			
	\$ 51,000	California Consulting			
	\$ 11,458	HR Consultant			
	\$ 4,000	Hospital Inspections - Dale Barnhart			
	\$ 6,000	Mangus - Medical Reimbursement			
	\$ 20,000	Miscellaneous			
	\$ 1,236,458				
6530 - Communications/ Marketing/Website					
	\$ 10,000	Community Engagement			
	\$ 76,500	See Detail below			
	\$ 5,000	Website Maintenance			
	\$ 150,000	75th Anniversary			
	\$ 5,000	Other			
	\$ 246,500				
Communications and Marketing Detail					
	\$ 15,050	Print Publication			
	\$ 1,200	Social Media			
	\$ 13,250	Collateral Materials			
	\$ 15,000	Visibility and Awareness			
	\$ 20,000	General Marketing (Includes shirts/caps)			
	\$ 12,000	Photography			
	\$ 76,500				
6728 - Pension Audit Fees					
	\$ 5,500	Moss, Levy, Hartzheim			
	\$ 11,000	Nyhart			
	\$ 16,500				
Cash Flow - District & LPMP Tenant/building Improvements					
	\$ 50,000	Landscape grading - LPMP			
	\$ 250,000	Est. Other TIs and Improvements			
	\$ 50,000	Miscellaneous			
	\$ 350,000				



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: May 23, 2023
To: Board of Directors
Subject: Addendum #4 to the Consulting Services Agreement for Magdalena Martinez dba Personnel 411 HR Consulting – increasing to \$955/month plus special projects fees and extending the period to June 30, 2024

Staff Recommendation: Consideration to approve Addendum #4 to the Consulting Services Agreement for Magdalena Martinez dba Personnel 411 HR Consulting – increasing to \$955/month plus special projects fees and extending the period to June 30, 2024.

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 #4 both increases the monthly fee from \$927 to \$955, plus fees for special projects, and extends the service agreement period to June 30, 2024.
- At the May 10, 2023, Finance & Administration Committee meeting, the Committee recommended forwarding to the Board for consideration of approval.
- Staff recommends approval of Addendum #4 of the Consulting Services Agreement for Magdalena Martinez dba Personnel 411 HR Consulting.

Fiscal Impact:

\$955 per month (\$11,460 annually), plus fees for special projects.

The HR Consultant is included in the District's FY23-24 annual budget.

**CONSULTING SERVICES AGREEMENT
ADDENDUM #4**

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 \$955.00.
3. Term. The term of this Addendum shall run from July 1, 2023 to June 30, 2024.
4. All other terms remain unchanged.

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

“District”:

Desert Healthcare District

By: _____
Conrado Barzaga, CEO

Date: _____

“Consultant”:

Personnel 411 HR Consulting

By: _____
Magdalena Martinez

Date: _____



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: May 23, 2023
To: Board of Directors
Subject: Security Agreement with Green Security Solutions to provide security services at the Las Palmas Medical Plaza effective June 1, 2023 – not to exceed \$144,000

Staff Recommendation: Consideration to approve a security agreement with Green Security Solutions to provide security services at the Las Palmas Medical Plaza effective June 1, 2023 – not to exceed \$144,000 annually.

Background:

- As you may recall, the F&A Committee and Board of Directors approved an increase to security coverage to include weekends, as a result of the increased vandalism and burglaries.
- Our current coverage includes a security guard during all hours with a total estimated cost of \$180,000 per year.
- Staff has been working with INPRO, the property maintenance contractor, to secure a more comprehensive cost-effective security plan.
- Green Security Solutions has proposed a plan that will do just that.
- Since INPRO’s staff is on site every weekday from 7:00am to 3:00pm, their staff will provide the security needs at no extra cost to the District. They will “observe and report” any security issues.
- Nighttime hours will include an on-site security guard.
- Security cameras will be placed strategically on the property and will be utilized with a combination of motion activation and live monitoring.
- Additionally, a marked security car will be located on site at all times.
- The estimated cost is \$143,456 per year.
- At the May 10, 2023, Finance & Administration Committee meeting, the Committee recommended forwarding to the Board for consideration of approval.
- Staff recommends approval of the new plan and the security agreement with Green Security Solutions.
- The agreement and proposal are included for your review and consideration.

Fiscal Impact:

\$143,456 annual expense and is included in the FY23-24 annual budget.

**LAS PALMAS MEDICAL PLAZA
SECURITY AGREEMENT**

This Security Agreement (“Agreement”) is entered into by and between the Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health & Safety Code sections 32000 et seq., and Green Security Solutions (“Green”), as follows:

RECITALS

- A.** District is the owner of the Las Palmas Medical Plaza, located at 555 Tachevah, Palm Springs, California (“Las Palmas”).
- B.** Green is in the business of providing property security services for a variety of clients in the Palm Springs, California, area.
- C.** District would like to retain Green to provide property security services for Las Palmas in accordance with the Exhibit “A” Scope of Services and pursuant to the terms and conditions of this Agreement.

COVENANTS

1. Term of Agreement

This Agreement shall be for a period of one (1) year commencing on June 1, 2023, and ending May 31, 2024 (“Term”). At the expiration of the Term, this Agreement, if not renewed in writing for an additional fixed period and if not terminated in writing by either party as provided in Section 2, shall remain in effect on a month-to-month basis not to exceed three (3) months (“Extended Term”).

2. Termination of Agreement

Either party may terminate this Agreement upon thirty (30) calendar days’ written notice to the other party. If the Agreement is terminated prior to the last day of the month, District will prorate the monthly compensation fee as described in Section 6, Compensation.

3. Personnel

Green will employ on-site security personnel in order to maintain the Scope of Services as described in Exhibit “A.” All such on-site security personnel shall be employees of Green and will be paid prevailing wages.

4. Licenses

Green shall perform the services pursuant to this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California and consistent with all applicable laws. Green represents that it, its employees have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Scope of Services to comply with public works projects, including the payment of prevailing wages and any required business licenses, and that such licenses and approvals shall be maintained throughout the term of this Agreement.

5. Insurance Requirements

Green shall provide proof of workers compensation and commercial general liability insurance to the District in amounts and with policies, endorsements, and conditions acceptable to the District for the Scope of Services.

6. Compensation

The total estimated annual cost is \$143,456. Invoices shall be submitted to the District monthly. District shall review and pay such invoices in a timely manner. Green shall not be reimbursed for any expenses unless authorized in writing by District.

7. Waiver and Indemnification

Green shall defend, indemnify and hold District, its officials, directors, officers, employees, agents, and volunteers free and harmless from any and all claims, demands, causes of action, expenses, liabilities, losses, damages, and injuries to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of Green, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services or this Agreement, including, without limitation, the payment of all consequential damages, attorneys fees, and other related costs and expenses.

8. Assignment or Transfer

Green shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the District. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

9. Independent Contractor

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

DESERT HEALTHCARE DISTRICT:

Green Security Solutions:

Approved by:

Reviewed and Accepted by Management:

Conrado Barzaga, CEO

Signature

Title

Date

Date

Security Plan for Las Palmas Medical Plaza (LPMP)

Current status:

Daytime security officer 6 am to 6 pm – 12 hours

Nighttime security officer 11 pm to 2 pm - 3 hours

Week end staff have been recently added. (Recent break-in to the pharmacy prompted adding weekend coverage. Historically any break-ins have occurred after dark or between 12 and 2 am.)

Suggested Coverage includes:

- 1) On-site personnel during the most sensitive hours.
- 2) Off-site Live monitoring during low-risk hours.
- 3) Motion Sensing and reporting during transition hours.
- 4) 13 cameras placed to cover the most sensitive areas of the property.
 - a) Cameras record 24 hours 7 days a week and store data for 31 days.
 - b) Cameras linked to monitoring service.
 - c) Monitoring is scheduled to cover site when Security Officers are not present.
 - d) Business hours are recorded but not monitored.

Staffing and Monitoring schedule:

WEEKDAYS

7 am to 3 pm INPRO Maintenance personnel observe and report as needed.

3 pm to 6 pm Live Monitoring.

7 pm to 7 am Security officer Present.

WEEKENDS

7 am to 7 pm live monitored with Motion Activation

7pm to 3 am Security officer Present

4am to 7 am Monitor with Motion Activation

PROPOSAL

4/26/2023

FOR : Las Palmas Medical Plaza - Security Plan and Cost Breakdown

Green Security Solutions

16250 Homecoming Dr. Suite 1297
Chino, CA 91708
Phone# 909-925-7176
greensecsolutions@gmail.com

Staffing and Monitoring cost:

WEEKDAY COSTS

1. 7 am to 3 pm INPRO Maintenance personnel observe and report as needed.
(Security system will also monitor and record- No direct cost to LPMP)
2. 3 pm to 6 pm Live Monitoring.
(3 hours each day @ \$22 per hour. Annual cost -----\$17,200)
3. 7 pm to 7 am Security officer Present.
(12 hours each day @ \$25 per hour Annual cost\$-----\$78,000)

WEEKENDS COSTS

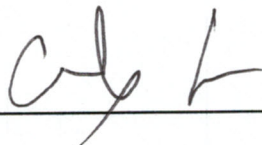
1. 7 am to 7 pm live monitored with Motion Activation
(24 hours each weekend @ \$22 per hour Annual costs-----\$27,456)
2. 7pm to 3 am Security officer Present
(16 hours each weekend @ 25 per hour Annual costs-----\$20,800)
3. 4am to 7 am Monitor with Motion Activation
(Security system provides 24 camera monitoring and recording which will cover this time frame- No direct cost to LPMP)

Total Annual Costs -----\$143.456

NOTE:

Customer (LPMP) provides internet access to site.
All cameras, recording and monitoring equipment are included in service.
Installation cost and maintenance included in service.
All equipment is owned by Security service and will be removed upon termination of contract.
Incident reports included with monthly billing statements.
Marked Patrol Car and Warning Signs will be provided as Deterrent and High Visibility Profile.

Cody Lowe (Owner)



Date

4-26-23

Bureau of Security and Investigative Services



Proprietary Private Security Employer

License No. PSE1313

Issue Date: 10/06/2021
Valid Until: 10/31/2023

GREEN SECURITY SOLUTIONS
24501 LOS ALISOS BLVD APT 292
LAGUNA HILLS, CA 92653-4283

The above is licensed as a Sole Proprietor with the State of California Bureau of Security and Investigative Services.

PSE_Responsible Person - CODY LOWE

PLACE RENEWAL HERE

Valid Until: 10/31/2023

Receipt No. 1731

This Original License must be kept for the life of the license and posted in Public View.

The above named is a licensed Proprietary Private Security Employer in the State of California, subject to the filing for renewal and the payment of the statutory fee by the expiration date.

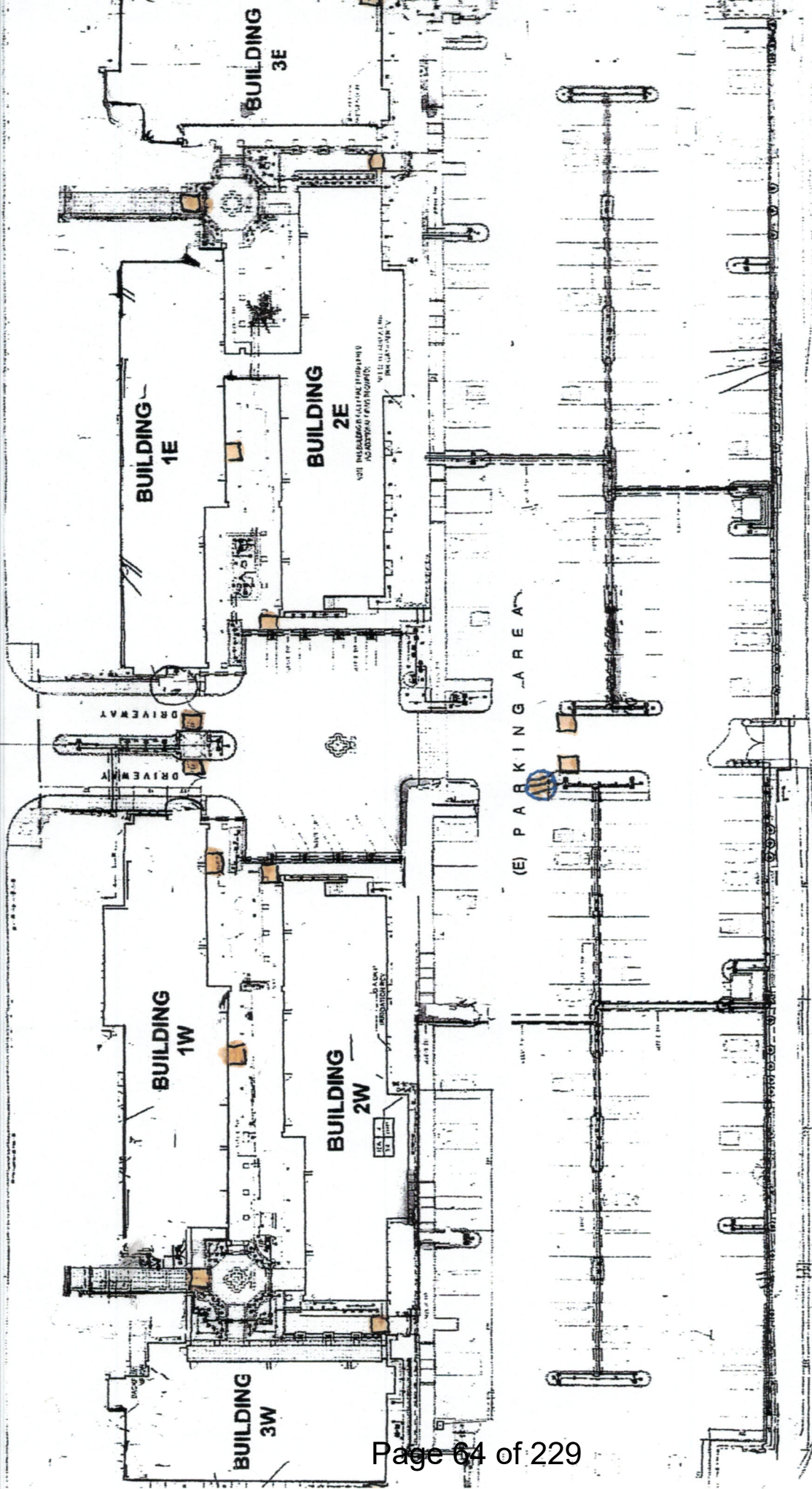
The license is issued pursuant to, and continues in effect subject to compliance with, the provisions of Chapter 11.4 of Division 3 of the Business and Professions Code of the State of California, and the Rules and Regulations established thereunder, and the above named licensee is duly authorized under said Chapter.

Department of Consumer Affairs
Bureau of Security and Investigative Services
P.O. Box 989002
West Sacramento, CA 95798-9002
(916) 322-4000

--- POST IN PUBLIC VIEW ---
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TACHEVAH DRIVE

071-AR-00001



■ CAMERA LOCATION

⊞ OFF GRID



Grant Application Scoring Rubric



Category	Meets expectations <i>(10-6 points)</i>	Does not meet expectations <i>(0-5 points)</i>
Programmatic Review		
Executive Summary of the Project (10 points)	The applicant includes and describes 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 does not include or describe 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.
Community Need for the Project & Strategic Plan Alignment (10 points)	The applicant identifies and defines a specific need(s) 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 does not sufficiently identify or describe a need 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.
Project Goals, Performance Measures, and Evaluation (10 points)	The applicant has provided SMART goals with an evaluation plan that is comprehensively developed. The SMART goals are specific, measurable, attainable, realistic, and time-bound , 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 are not specific, measurable, attainable, realistic, time-bound goals 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>Project Evaluation Plan (10 points)</p>	<p>The applicant provides a detailed plan of action for evaluation 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"> • Evaluation measures and methods are clear; the applicant defines how they envision success. • Evaluation is in alignment with the SMART goals of the project. • Evaluation is in alignment with identified performance measure(s). • An explanation is provided on how the data collected from the project will be utilized for future programming, partnerships, and/or funding. 	<p>The applicant does not provide, or vaguely describes, a plan of action 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"> • Evaluation measures and methods are not clear; the applicant vaguely defines how they envision success. • Evaluation is not in alignment with the SMART goals of the project. • Evaluation is not in alignment with identified performance measure(s). • An explanation is not provided on how the data collected from the project will be utilized.
<p>Applicant Capacity and Infrastructure to Execute Proposal (10 points)</p>	<p>The applicant includes examples that demonstrate that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.). The applicant demonstrates reliability for this kind of work (strength, a history or track record of achievements, related mission, and letters of support)</p>	<p>The applicant does not include examples that demonstrate the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.). The applicant is limited in its ability to demonstrate reliability for this kind of work (strength, a history or track record of achievements, related mission, and letters of support)</p>
<p>Organization Sustainability (10 Points)</p>	<p>The applicant demonstrates that it has a current Strategic Plan. The applicant demonstrates strong Board engagement, governance, and fundraising support.</p>	<p>The applicant does not sufficiently demonstrate 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>Budget (10 points)</p>	<p>The budget is specific and reasonable, and all items align with the described project. The proposed budget is accurate, cost-effective, and linked to activities and outcomes.</p> <ul style="list-style-type: none"> • There are no unexplained amounts. • The overall significance of the project, including the relationship between benefits and/or participants to the programmatic costs are reasonable. • All line items are identified clearly in the budget narrative. • The budget shows committed, in-kind, or other funds that have been identified, secured, and in place to support the project. 	<p>The budget is not specific and/or reasonable, and the items are poorly aligned 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"> • There are unexplained amounts. • The overall significance of the project, including the relationship between benefits and/or participants to the programmatic costs are not reasonable. • Line items are not clearly defined in the budget narrative. • The budget does not show committed, in-kind, or other funds that have been identified, secured, and in place to support the project.
<p>Key Partners / Collaboration (10 points)</p>	<p>The proposal demonstrates a collaborative process 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 does not demonstrate a collaborative process and it does not involve multiple community partners in planning and implementation. Potential for collaboration exists but is not articulated.</p>
<p>Fiscal Review</p>		
<p>Fiduciary Compliance (10 Points)</p>	<p>The applicant demonstrates 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>The applicant does not demonstrate 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>

<p>Financial Stability (10 Points)</p>	<p>Funding sources for operations and programs are from multiple sources and are driven by a strategic plan 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 reasonable in comparison to the overall organizational budget.</p>	<p>Source of funds for operations and programs are from limited sources and are not driven by a strategic plan. There is no plan for stability in place currently, including a fund development plan and/or business plan. The requested grant amount is unreasonable in comparison to the overall organizational operating budget.</p>
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Total Score: _____ / 100

Recommendation:

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



Date: May 23, 2023

To: Board of Directors

Subject: Grant # 1392 Galilee Center

Grant Request: Galilee Center Extended Shelter

Amount Requested: \$268,342.00

Project Period: 6/1/2023 to 5/31/2024

Created in 2010, the Galilee Center's vision is to help reduce the poverty levels of the farm/migrant workers in Eastern Coachella Valley by providing a comprehensive program to help them break the cycle of poverty. The Galilee Center is a trusted community organization that continues to build their capacity and adapt to sustain their mission of fulfilling the needs of underprivileged and disadvantaged groups in the Coachella Valley.

In 2022, the Galilee Center established an Extended Shelter to keep families seeking asylum and without sponsors off the streets. This funding request focuses on building the capacity of their Extended Shelter Program. The Extended Shelter Program accommodates individuals and families with a safe place to stay while waiting for transportation to their final destination and provides wrap-around support services. Specifically, the application to expand the Extended Shelter Program encompasses three goals. The first goal is to provide lodging for Galilee's clients by securing funding for a motel with 33 rooms. The second is to provide basic needs and other wrap-around services for families who have experienced devastating times in their country (poverty, violence, persecution, and intolerance) and have been granted asylum-seeking status. A third goal is for three full-time Case Workers to be employed to coordinate the travel plans of flights or bus accommodations to get families to their new final destination when a sponsor becomes available or arrange a long-term shelter transfer.

This application is focused on the District's Strategic Plan strategies 2.7 to increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley and 5.1 to reduce the negative impacts of social determinants of health on homelessness in Coachella Valley. The Funds provided by the Desert Healthcare District will be used to fund support staff salaries, basic necessity supplies, and motel rooms.



Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Strategy 2.7 Increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley (Priority: High)

Goal 5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis)

Strategy 5.1 Reduce the negative impacts of social determinants of health on homelessness in Coachella Valley (Priority: Moderate)

Geographic Area(s) Served:

Indio; Mecca

Action by Program Committee: (Please select one)

✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$268,342.00 be approved.

Recommendation with modifications

Request for more information

Deny



Grant Application Summary

Galilee Center, Grant #1392

About the Organization

Galilee Center
 66101 Hammond Road
 Mecca, CA 92254
 Tel: (760) 396-9100
<http://www.galilee>

Tax ID #: 273133601

Primary Contact:

Claudia Castorena
 Tel: (760) 396-9100
ccastorena@galileecenter.org

Organization History and Mission

The mission of the Galilee Center is to fulfill the needs of the underprivileged and disadvantaged by providing food, clothing, and other basic needs and to affirm their dignity with love, compassion, and respect. The vision is to help reduce the poverty levels of the farm/migrant workers in Eastern Coachella Valley by providing a comprehensive program to help them break the cycle of poverty. The agency was created in 2010. The Emergency Food Distribution program provides food and other essential items on Thursdays at the distribution center in Mecca. The agency also offers rental assistance and assistance with utility payments. In addition, it provides an emergency shelter for migrant workers and school supplies for children. The Galilee Center provides services to residents who have no other resources. In 2018 the Galilee Center created the Asylum Seekers Program utilizing the existing shelter to accommodate a 2-3 day stay while waiting for transportation to their final destination. In 2022 the Extended Shelter was established to keep families without sponsors and seeking asylum off the streets. Families who don't have sponsors or a final destination are eligible to move into the 30-day extended shelter.

Organization Annual Budget: \$10,986,050.00

Historical (approved Requests)

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund

2018	Galilee Center Emergency Services	\$75,000	Grant	4/16/2019	
2019	Our Lady of Guadalupe Shelter	\$25,000	Mini-Grant	4/1/2020	
2020	Galilee Center Emergency Services	\$120,000	Grant	11/3/2020	
2020	Galilee Center Emergency Services	\$25,000	Grant	1/28/2021	
2020	Our Lady of Guadalupe Shelter	\$150,000	Grant	4/28/2021	
2020	Galilee Center Emergency Services	\$195,000	Grant	5/28/2021	
2022	Our Lady of Guadalupe Center	\$100,000	Grant	7/27/2022	
2022	Distribution of PPE Bags and COVID-19 Resources	\$83,576	Grant	3/8/2023	

Project Information

Project Title: Galilee Center Extended Shelter

Start Date: 6/01/2023 **End Date:** 5/31/2024

Term: 12 months

Total Project Budget: \$2,760,803

Requested Amount: \$268,342

Executive Summary:

There are three goals for the Extended Shelter Program. The first goal is to provide lodging for these clients by securing funding for a motel with 33 rooms, each with a kitchenette, refrigerator, and microwave. The second is to provide basic needs and other wrap-around services for families who have experienced devastating times in their country (poverty, violence, persecution, and intolerance) and have been granted asylum-seeking status. This program specifically targets Asylum Seekers who no longer have a sponsor and need a safe place to stay for an extended period of up to 60 days. A third goal is for three full-time Case Workers will be employed to coordinate the travel plans of flights or bus accommodations to get families to their new final destination when a sponsor becomes available or arrange a long-term shelter transfer. Case workers will also ensure all clients attend immigration appointments, medical visits, school registration, and other appointments for benefit resources. When the families stay in the area because they don't have a sponsor, the caseworkers will assist with the application process for a rental unit, guide them to have the essential utilities turned on, and coordinate furniture vouchers for their new home.

The target population is families from Brazil, Cuba, Ecuador, India, Bangladesh, Venezuela, Romania, Nicaragua, Russia, Peru, Nigeria, Angola, Ghana, China, Pakistan, Nepal, Afghanistan, and other parts of the world who have been granted asylum status to enter the United States. The Galilee Center is one of the major nonprofits with a program to accommodate Asylum Seekers until they reach their final destination.

Community Need for the Project:

The agency ensures families coming through the Asylum Program are provided with a safe place as they integrate into society. The need is to provide services for these families given asylum and needing an extended stay in the United States with the opportunity to adapt to American society and secure a life that allows them to be self-sufficient in the communities where they settled. The extended stay services include but are not limited to assisting them with setting up medical appointments, prescriptions, enrolling children in school, providing transportation to their immigration appointment, finding apartments for rent, and helping with travel arrangements, if applicable. Other services include food boxes (non-perishable, dairy products, and meats), infant services, cookware, and clothing.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Strategy 2.7 Increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley (Priority: High)

Goal 5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis)

Strategy 5.1 Reduce the negative impacts of social determinants

Project Description and Use of District funds:

In 2022 the Extended Shelter was established to keep families seeking asylum and without sponsors off the streets. The extended shelter is a motel with 33 rooms available for Asylum Seekers. These families who do not have sponsors or a final destination are eligible to move into the extended shelter for up to 60 days. Three full-time Case Workers will coordinate the travel plans for families to their destination when a sponsor becomes available or assist families with funding needed to relocate to a house or apartment in the local area if a sponsor is not secured. District funds will be used to cover the cost of prescription drugs for clients participating in the weekly free mobile clinic offered by volunteer doctors from Desert Physicians Medical Group and DHCD mobile clinic. To assist in the cost of the salaries of the one full-time intake case worker and one full-time intake supervisor. To pay for three motel rooms to provide housing for people in the asylum program who need extended time to secure a new residence. Funds will also be used to pay for food and other essentials. The intake/case workers will coordinate with families for travel plans to their destination when a sponsor becomes available or assist families with funding needed to relocate to a house or apartment in the local area if a sponsor is not secured. The case workers will provide wrap-around services that include but are not limited to assisting them with setting up medical appointments, and prescriptions, enrolling children in school, providing transportation to their immigration appointment, finding apartments for rent, and helping with travel arrangements, if applicable. Other services include food boxes (non-perishable, dairy products, and meats), infant services, cookware, and clothing. In addition, the intake/case workers will assist the Asylum Seekers with transportation to medical appointments and other transport to services relating to their immigration status, including mandatory meetings with the Immigration Agency in San Bernardino.

Description of the Target Population (s):

The target population is families from Brazil, Cuba, Ecuador, India, Bangladesh, Venezuela, Romania, Nicaragua, Russia, Peru, Nigeria, Angola, Ghana, China, Pakistan, Nepal, Afghanistan, and other parts of the world who have been granted asylum status to enter the United States. Families who don't have sponsors or a final destination are eligible to move into the 60-day extended shelter.

Geographic Area(s) Served:

Indio; Mecca

Age Group:

- (0-5) Infants
- (06-17) Children
- (18-24) Youth
- (25-64) Adults
- (65+) Seniors

Total Number of District Residents Served:

Direct: 620

Indirect: 0

Project Goals and Evaluation

<p>Goal #1: By May 31, 2024, 620 unduplicated people will have lodging in a motel shelter with 33 rooms, each with a kitchenette, refrigerator, and microwave.</p>	<p>Evaluation #1: The agency records all activities relating to the Extended Shelter program daily. It provides comprehensive reporting of all projects for the board during regular board meetings. On an annual basis, it provides data for all reporting needs, including budget development, goal setting, and grant applications, and evaluates the programs' overall success. The goal's success is measured by an assessment of the accomplishments of the goal in relation to the objectives established for the program. Quantitatively the number of people served, and the services received are recorded. Qualitatively individuals served by the Galilee Center are asked if the services are meeting their needs and what improvements they note in their daily lives resulting from having the opportunity to receive services.</p>
<p>Goal #2: By May 31, 2024, 620 unduplicated people will be provided basic needs and other wrap-around services. Of these, 25 families and 50 individuals</p>	<p>Evaluation #2: The agency records all activities relating to the Extended Shelter program daily. It provides comprehensive reporting of all projects for the board during regular board meetings. On an annual basis,</p>

<p>will remain in the Coachella, with 45 children enrolled in school. In addition, 23 families will receive rental assistance and furniture vouchers, and 590 people will receive medical care. Volunteer doctors from Desert Physicians Medical Group in Palm Springs will provide a free clinic at the extended shelter facility (Western Sands Motel) every Tuesday from 9:30 am to 4:00 pm. In addition, women in the Extended Shelter Program will participate in a Women's Support Group conducted weekly by a certified counselor who is a member of the DHCD board. Transportation will be provided for 590 people to their immigration appointments.</p>	<p>it provides data for all reporting needs, including budget development, goal setting, and grant applications, and evaluates the programs' overall success. The goal's success is measured by an assessment of the accomplishments of the goal in relation to the objectives established for the program. Quantitatively the number of people served, and the services received are recorded. Qualitatively individuals served by the Galilee Center are asked if the services are meeting their needs and what improvements they note in their daily lives resulting from having the opportunity to receive services.</p>
<p>Goal #3: By May 31, 2024, three full-time Case Workers will be employed to coordinate travel plans for 145 families to their destination when a sponsor becomes available and to assist 25 families with funding needed to relocate to a house or apartment in the local area if a sponsor is not secured.</p>	<p>Evaluation #3: The agency records all activities relating to the Extended Shelter program daily. It provides comprehensive reporting of all projects for the board during regular board meetings. On an annual basis, it provides data for all reporting needs, including budget development, goal setting, and grant applications, and evaluates the programs' overall success. The goal's success is measured by an assessment of the accomplishments of the goal in relation to the objectives established for the program. Quantitatively the number of people served, and the services received are recorded. Qualitatively individuals served by the Galilee Center are asked if the services are meeting their needs and what improvements they note in their daily lives resulting from having the opportunity to receive services.</p>
<p>Goal #4:</p>	<p>Evaluation #4:</p>
<p>Goal #5:</p>	<p>Evaluation #5:</p>

Proposed Project Evaluation Plan

The agency records all activities relating to the Extended Shelter program daily. It provides the board with comprehensive reporting of all projects during regular board meetings. On an annual basis, it provides data for all reporting needs, including budget development, goal setting, and grant applications, and evaluates the programs' overall success.

Organizational Capacity and Sustainability

Organizational Capacity

The Galilee Center has three intake/case workers allocated to this project. The intake/case workers are experienced in assisting Asylum Seekers in receiving their basic needs and wrap-around services. They have training in assisting clients with transportation needs, rental assistance, and medical services. In addition, Galilee Center management oversees the project operations.

Organizational Sustainability:

All activities in the organizational strategic plan follow the mission. The business plans for 2023 include the addition of the extended shelter project to ensure families do not end up on the streets of the Coachella Valley and become stranded or homeless. Some support has been identified to help carry on with this project, but additional funding is being sought to meet this program.

Diversity, Equity, and Inclusion

How does your organization address diversity, equity, and inclusion at the board and executive staff levels?

Galilee Center does not discriminate against anyone based on race, color, religion, national origin, disability, sexual orientation, gender identity, or age in admission, treatment, or participation in its programs, services, activities, or employment. It actively hires and trains its staff from the local communities. The Board solicits new members based on the need of the board and selects board members from the local communities dedicated to the agency's mission.

If your organization is not currently addressing diversity, equity, and inclusion at the board and executive staff levels, please explain the barriers, such as knowledge, financial investment, capacity, etc., that are preventing you from doing so. N/A

Partnerships:

Key Partners:

The Desert Physicians Medical Group and the Desert Healthcare District mobile clinic will assist with volunteer doctors/medical staff to offer medical services and check-ups to the extended-stay shelter residents.

Desert Sands Unified School District Homeless and Foster Liaison program help with translation to register children in school and uniforms.

Carmina Zavala, a mental health professional and Desert Healthcare District Board member, will facilitate a Women's Support Group for the women residing at the shelter.

Galilee Center also receives support from the EFSP Humanitarian Relief and the HHAP administered by Riverside County Housing and Workforce Solutions

Line Item Budget Operational Costs

PROGRAM OPERATIONS		Total Program/Project Budget	Funds from Other Sources Detail on sheet 3	Amount Requested from DHCD
Total Staffing Costs Detail on sheet 2		201,032.00	105,832.00	95,200.00
Equipment (itemize)				
1				-
2				-
3				-
4				-
Supplies (itemize)				
1	Prescriptions/Over the Counter Medicine	9,600.00	3,840.00	5,760.00
2	Baby Supplies	12,500.00	3,500.00	9,000.00
3	Cookware - kitchen essentials	24,600.00	14,700.00	9,900.00
4	Hygiene Items	24,000.00	24,000.00	-
Printing/Duplication / Office supplies		1,020.00	1,020.00	-
Mailing/Postage				-
Travel/Mileage				-
Education/Training				-
Office/Rent/Mortgage				-
Telephone/Fax/Internet				-
Utilities				-
Insurance				-
Other facility costs not described above (itemize)				
1	36 Motel Rooms -3 Rms. Reimb. Reques	1,781,784.00	1,633,302.00	148,482.00
2	Transportation/Immigration	77,707.00	77,707.00	-
3				-
4				-
Other program costs not described above (itemize)				
1	Food/Meals - Per Diem	578,160.00	578,160.00	-
2	1st. Month Rent	50,400.00	50,400.00	-
3				-
4				-
Total Program Budget		2,760,803.00	2,492,461.00	268,342.00

Line Item Budget Staffing Costs

Staff Salaries		Annual Salary	% of Time Allocated to Program	Actual Program Salary	Amount of Salary Paid by DHCD Grant
Employee Position/Title					
1	Intake / Case Worker	39,000.00	100%	39,000.00	39,000.00
2	Intake/Worker Supervisor	46,000.00	100%		46,000.00
3					
4					
5					
6					
7					
8					
Total Employee Benefits				12%	10,200.00
Enter this amount in Section 1; Staffing Costs				Total >	95,200.00
Budget Narrative	1 FTE Intake Worker, \$19.50 per hr. for 2,000 hrs. per year, including a 12% for Employee Benefits. 1 FTE Intake Supervisor, \$23 per hr. for 2,000 hrs. per year, including a 12% for Employee Benefits.				
Budget Narrative	Please describe in detail the employee benefits including the percentage and salary used for calculation.				
Professional Services / Consultants		Hourly Rate	Hours/Week	Monthly Fee	Fees Paid by DHCD Grant
Company and Staff Title					
1					
2					
3					
4					
5					
Enter this amount in Section 1; Staffing Costs				Total >	0
Budget Narrative	Please describe in detail the scope of work for each professional service/consultant on this grant.				

Line Item Budget Other Program Funds

Other funding received (actual or projected) SPECIFIC to this program/project			Amount
Fees			
Donations			
Grants (List Organizations)			
1	EFSP Humanitarian Award 2022-2023		2,356,479.00
2	HHAP Grant Allocation		144,247.00
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			2,500,726.00
Budget Narrative	Describe program/project income listed above. Note whether income is "projected" or actual.		

Grant Scoring Review

Grant Staff Review # 1 of 4

Executive Summary: 9

Community Need and Alignment: 10

Goals: 9

Proposed Evaluation Plan: 8

Applicant Capacity and Infrastructure: 10

Organizational Sustainability: 9

Budget: 9

Key Partners/Collaborations: 9

Total Score: 73.00

Reviewer Comments:

The Galilee Center is the only shelter and organization in the Eastern Riverside County that humanely takes in refugees and asylum seekers that come to the CV through the border. Galilee assists with not only sponsorships for the 2% that do not have sponsors, but with this extended shelter program, allows the clients to stay up to 60 days, enabling them to "catch their breath" after a long and arduous and most likely, dangerous, trip to reach safety in the United States. Galilee is the only nonprofit in the Coachella Valley that assists this vulnerable population. Their request fits within our strategic plan.

Response Notes:

Average Review Score:

Grant Program Staff Review Stage: 73.5 (4 of 4)

Fiscal Staff Review Stage: 18 (2 of 2)

Sum of all Reviews:

Grant Program Staff Review Stage: 294 (4 of 4)

Fiscal Staff Review Stage: 36 (2 of 2)

Total average proposal score: 91.5/100

Grant Scoring Review

Grant Staff Review # 2 of 4

Executive Summary: 10

Community Need and Alignment: 10

Goals: 9

Proposed Evaluation Plan: 9

Applicant Capacity and Infrastructure: 10

Organizational Sustainability: 10

Budget: 9

Key Partners/Collaborations: 10

Total Score: 77.00

Reviewer Comments:

The Galilee Center has been at the forefront of providing assistance to refugees and asylum seekers entering Riverside County. They provide a safe and welcoming place, where individuals and families receive health care services through the DPMG Health medical mobile unit, clothing, food, and other supportive services. DHCD grant funds will allow them to increase their capacity by adding additional staff, paying for lodging, and critical supplies.

Response Notes:

Average Review Score:

Grant Program Staff Review Stage: 73.5 (4 of 4)

Fiscal Staff Review Stage: 18 (2 of 2)

Sum of all Reviews:

Grant Program Staff Review Stage: 294 (4 of 4)

Fiscal Staff Review Stage: 36 (2 of 2)

Total average proposal score: 91.5/100

Grant Scoring Review

Grant Staff Review # 3 of 4

Executive Summary: 8

Community Need and Alignment: 8

Goals: 9

Proposed Evaluation Plan: 7

Applicant Capacity and Infrastructure: 8

Organizational Sustainability: 8

Budget: 9

Key Partners/Collaborations: 9

Total Score: 66.00

Reviewer Comments:

The Galilee Center continues to provide a safe, resourceful environment for asylum seekers 24 hours a day. They continuously adapt and seek funding to expand their capacity to serve a population that is at their most vulnerable, entering a completely new environment. The request not only aligns with the District's Strategic Plan strategies 2.7 and 5.1, but it also addresses an emergent need. The District funds will be used for support staff, safe shelter via motel rooms, and basic supplies. Funding will allow the Galilee Center the capacity to provide over 600 people case management, temporary shelter, and other care relief.

Response Notes:

Average Review Score:

Grant Program Staff Review Stage: 73.5 (4 of 4)

Fiscal Staff Review Stage: 18 (2 of 2)

Sum of all Reviews:

Grant Program Staff Review Stage: 294 (4 of 4)

Fiscal Staff Review Stage: 36 (2 of 2)

Total average proposal score: 91.5/100

Grant Scoring Review

Grant Staff Review # 4 of 4

Executive Summary: 10

Community Need and Alignment: 10

Goals: 10

Proposed Evaluation Plan: 9

Applicant Capacity and Infrastructure: 10

Organizational Sustainability: 9

Budget: 10

Key Partners/Collaborations: 10

Total Score: 78.00

Reviewer Comments:

The Galilee Center has an over 12 year history of providing supportive services to the community through outreach to refugee, asylum seekers and farmworker community members. This project will align with the District Strategic Goal and Strategy 2.7 and 5.1 and will promote increased stabilization for underserved community members seeking safety and housing. District funds will support additional Intake staff to conduct the necessary outreach to individuals and families who are attempting to accomplish sponsorship or a final destination for residency. The 60 day extended shelter services will assist with this process. The Galilee Center sees a variety of individuals representing a variety of countries that are seeking support and assistance many of whom include children. The goal of this project is to serve 620 unduplicated individuals and success will be identified through assessments to verify the numbers served and their support disposition at the end of the project term.

Response Notes:

Average Review Score:

Grant Program Staff Review Stage: 73.5 (4 of 4)

Fiscal Staff Review Stage: 18 (2 of 2)

Sum of all Reviews:

Grant Program Staff Review Stage: 294 (4 of 4)

Fiscal Staff Review Stage: 36 (2 of 2)

Total average proposal score: 91.5/100

Grant Scoring Review

Fiscal Staff Review # 1 of 2

Fiduciary Compliance: 9

Financial Stability: 9

Total Score: 18.00

Reviewer Comments:

Fiduciary Compliance -

The FY 12/31/21 audit report is unmodified. The Board of Directors accepted the audit report.

Audit report Current Ratio is strong (6:1), which represents the grantee's ability to pay its short-term liabilities.

The Net Assets increased by \$2.5M as of 12/31/21, with Total Net Assets of \$6.3M. Internal financial statements, as of 12/31/22, shows an increase of \$2.9M. The Balance Sheet is in good order.

Financial Stability -

Grantee demonstrates a relatively sound financial position.

Grantee has diversified resources for this project of \$2.7M. The District's grant of \$268k is well supported by other resources.

Response Notes:

Average Review Score:

Grant Program Staff Review Stage: 73.5 (4 of 4)

Fiscal Staff Review Stage: 18 (2 of 2)

Sum of all Reviews:

Grant Program Staff Review Stage: 294 (4 of 4)

Fiscal Staff Review Stage: 36 (2 of 2)

Total average proposal score: 91.5/100

Grant Scoring Review

Fiscal Staff Review # 2 of 2

Fiduciary Compliance: 9

Financial Stability: 9

Total Score: 18.00

Reviewer Comments:

Audited financial statements were reviewed and approved by Board of Directors. Positive cash flow was documented for the FY2020 audited year. Balance sheet details sufficient assets to address liabilities. The grant request is reasonable in comparison to the overall organizational budget, which includes multiple funding sources. The provided strategic plan was several years old and did not include updated details on obtaining future funding.

Response Notes:

Average Review Score:

Grant Program Staff Review Stage: 73.5 (4 of 4)

Fiscal Staff Review Stage: 18 (2 of 2)

Sum of all Reviews:

Grant Program Staff Review Stage: 294 (4 of 4)

Fiscal Staff Review Stage: 36 (2 of 2)

Total average proposal score: 91.5/100

Grant #1392

EXHIBIT B**PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES**

<u>Project Title</u>	<u>Start/End</u>
Galilee Center Extended Shelter	6/01/2023 5/31/2024

PAYMENTS:

(4) Payments: \$60,377
10% Retention: \$26,834

Total request amount: \$ 268,342

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
6/01/2023	Signed Agreement submitted & accepted.	Advance of \$60,377 for time period 6/01/2023 - 8/31/2023
10/01/2023	1st quarterly (6/01/2023 - 8/31/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$60,377 for time period 9/01/2023 - 11/30/2023
1/01/2024	2nd quarterly (9/01/2023 - 11/30/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$60,377 for time period 12/01/2023 - 2/29/2024
4/01/2024	3rd quarterly (12/01/2023 - 2/29/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$60,377 for time period 3/01/2024 - 5/31/2024
7/01/2024	4th quarterly (3/01/2024 - 5/31/2024) progress report, budget reports and receipts submitted & accepted	\$0
7/15/2024	Final report (6/01/2023 - 5/31/2024) and final budget report submitted & accepted	\$26,834 (10% retention)

TOTAL GRANT AMOUNT: \$ 268,342

DELIVERABLES:

Project Goals and Evaluation

<p>Goal #1: By May 31, 2024, 620 unduplicated people will have lodging in a motel shelter with 33 rooms, each with a kitchenette, refrigerator, and microwave.</p>	<p>Evaluation #1: The agency records all activities relating to the Extended Shelter program daily. It provides comprehensive reporting of all projects for the board during regular board meetings. On an annual basis, it provides data for all reporting needs, including budget development, goal setting, and grant applications, and evaluates the programs' overall success. The goal's success is measured by an assessment of the accomplishments of the goal in relation to the objectives established for the program. Quantitatively the number of people served, and the services received are recorded. Qualitatively individuals served by the Galilee Center are asked if the services are meeting their needs and what improvements they note in their daily lives resulting from having the opportunity to receive services.</p>
<p>Goal #2: By May 31, 2024, 620 unduplicated people will be provided basic needs and other wrap-around services. Of these, 25 families and 50 individuals will remain in the Coachella, with 45 children enrolled in school. In addition, 23 families will receive rental assistance and furniture vouchers, and 590 people will receive medical care. Volunteer doctors from Desert Physicians Medical Group in Palm Springs will provide a free clinic at the extended shelter facility (Western Sands Motel) every Tuesday from 9:30 am to 4:00 pm. In addition, women in the Extended Shelter Program will participate in a Women's Support Group conducted weekly by a certified counselor who is a member of the DHCD board. Transportation will be provided for 590 people to their immigration appointments.</p>	<p>Evaluation #2: The agency records all activities relating to the Extended Shelter program daily. It provides comprehensive reporting of all projects for the board during regular board meetings. On an annual basis, it provides data for all reporting needs, including budget development, goal setting, and grant applications, and evaluates the programs' overall success. The goal's success is measured by an assessment of the accomplishments of the goal in relation to the objectives established for the program. Quantitatively the number of people served, and the services received are recorded. Qualitatively individuals served by the Galilee Center are asked if the services are meeting their needs and what improvements they note in their daily lives resulting from having the opportunity to receive services.</p>

<p>Goal #3: By May 31, 2024, three full-time Case Workers will be employed to coordinate travel plans for 145 families to their destination when a sponsor becomes available and to assist 25 families with funding needed to relocate to a house or apartment in the local area if a sponsor is not secured.</p>	<p>Evaluation #3: The agency records all activities relating to the Extended Shelter program daily. It provides comprehensive reporting of all projects for the board during regular board meetings. On an annual basis, it provides data for all reporting needs, including budget development, goal setting, and grant applications, and evaluates the programs' overall success. The goal's success is measured by an assessment of the accomplishments of the goal in relation to the objectives established for the program. Quantitatively the number of people served, and the services received are recorded. Qualitatively individuals served by the Galilee Center are asked if the services are meeting their needs and what improvements they note in their daily lives resulting from having the opportunity to receive services.</p>
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Date: May 23, 2023

To: Board of Directors

Subject: Grant # 1391 Lift To Rise

Grant Request: Driving Regional Economic Stability Through Collective Impact

Amount Requested: \$900,000.00

Project Period: 6/1/2023 to 5/31/2026

In July 2018, Lift to Rise launched as an independent nonprofit organization to mobilize and advance the collective efforts of their partners. Lift to Rise's mission, priorities, and target organizing areas were identified through a community-driven process where residents cited housing affordability and continued economic constriction as central concerns and sources of instability in their lives. In response, Lift to Rise organized into two areas of work: housing stability and economic opportunity.

Building on 5 years of growing community centered momentum, Lift to Rise seeks operating support to continue their bold work to radically transform the trajectory of affordability and opportunity for all Coachella Valley residents, through driving their shared regional agenda to significantly increase affordable housing supply, securing greater regional community investment, leading a regional, state and federal advocacy agenda that shapes the local policy landscape, educating and activating the leadership of a greater base of community residents and officials, and strengthening their growing internal backbone that coordinates, convenes and supports a collaborative of more than 60 partner organizations. These efforts will ultimately result in a 30% decrease in the number of rent-burdened households in the Coachella Valley through the production of 10,000 new units of affordable housing by 2028. These units will provide safe, stable, and affordable housing for roughly 35,000 Coachella Valley residents' households earning at or below 80% of area median income.

This application is focused on the District's Strategic Plan goal 5 to be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents. Specifically, the project is targeting all four strategies under



goal 5. The Funds provided by the Desert Healthcare District will be used to partially fund six staff salaries and two consultant services.

Strategic Plan Alignment:

Goal 5 Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis)

Strategy 5.1 Reduce the negative impacts of social determinants of health on homelessness in Coachella Valley (Priority: Moderate)

Strategy 5.2 Reduce the negative impacts of social determinants of health on affordable housing in Coachella Valley (Priority: Moderate)

Strategy 5.3 Reduce the negative impacts of social determinants of health on poverty in Coachella Valley (Priority: Moderate/Low)

Strategy 5.4 Expand health action planning on the co-location of healthcare services within affordable housing developments in Coachella Valley (Priority: Moderate)

Geographic Area(s) Served:

All District Areas

Action by Program Committee: (Please select one)

Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$900,000.00 be approved.

✓ Recommendation with modifications

Grant Application Additions

- At the May 2023 Program Committee meeting, Board Members requested the inclusion of deliverables and milestones for year one and year two to strengthen the grant application.
- Based on that feedback, attached is a supplemental document that includes the deliverables and milestones for year one and year two, submitted by Lift To Rise for Board of Directors approval.

Request for more information

Deny

Lift to Rise: Driving Regional Economic Stability through Collective Impact
Supplemental Milestone Document

Lift to Rise is sharing the following milestones to codify yearly deliverables described in our proposal as requested by the Desert Healthcare District:

Year One Milestones: (To be achieved by June 2024)

- Identify 3,000 new affordable housing units for pipeline
- Deploy We Lift loans to at least four projects totaling more than 1,000 units spurred with catalyst fund lending
- Raise \$10 million in grant dollars to support housing connected to health and ECE outcomes

Year Two Milestones: (To be achieved by June 2025)

- Identify another 3,000 new units for pipeline
- Deploy We Lift loans to at least four projects totaling and additional 1,000 units spurred with catalyst fund lending
- Raise an additional \$10 million in grant dollars to support housing connected to health and ECE outcomes (totaling \$20 million over 2 years)

Year Three Milestones: (To be achieved by June 2026)

- Identify an additional 3,000 new units for pipeline
- Deploy We Lift loans to at least four projects totaling and additional 1,000 units spurred through catalyst fund lending
- Raise an additional \$10 million in grant dollars to support housing connected to health and ECE outcomes (\$30 million total over the three year period)



Grant Application Summary

Lift To Rise, Grant #1391

About the Organization

Lift To Rise
73710 Fred Waring Dr
Palm Desert, CA 92260
Tel: (760) 636-0426
<http://www.lifttorise.org>

Tax ID #: 82-5258187

Primary Contact:

Heather Vaikona
Tel: (760) 348-8013
heather@lifttorise.org

Organization History and Mission

Mission: Lift to Rise brings together community and institutional leaders to collaboratively solve the underlying causes of poverty and inequality.

History: In the fall of 2014, a small group of community-based partners— including FIND Food Bank, United Way of the Desert, the RAP Foundation, the Desert Healthcare District, and the Riverside County Economic Development Agency—convened to pursue a “Collective Impact” approach. We sought to address the underlying causes driving our common challenge: resident need was only growing, and we had overcome stop-gap approaches to growing disparities. We recognized that the problems residents face—low incomes, food insecurity, poor health outcomes, and insufficient transportation, health, and housing infrastructure—are inherently interconnected and mutually reinforcing. In 2015, we forged an academic partnership with the USC Sol Price Center for Social Innovation.

In July 2018, Lift to Rise launched as an independent nonprofit organization to mobilize and advance the collective efforts of our partners. Lift to Rise’s mission, priorities, and target organizing areas were identified through a community-driven process where residents cited housing affordability and continued economic constriction as central concerns and sources of instability in their lives. In response, Lift to Rise organized into two areas of work: housing stability and economic opportunity.

Organization Annual Budget: \$19,039,121.22

Historical (approved Requests)

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
2019	Economic Protection Plan + Rental Assistance	\$600,000	Grant	4/2/2020	
2020	United Lift Rental Assistance 2021	\$300,000	Grant	4/28/2021	

Project Information

Project Title: Driving Regional Economic Stability Through Collective Impact

Start Date: 6/1/2023 **End Date:** 5/31/2026

Term: 36 months

Total Project Budget: \$52,681,462

Requested Amount: \$900,000

Executive Summary:

Building on 5 years of growing community centered momentum, Lift to Rise seeks operating support to continue our bold work to radically transform the trajectory of affordability and opportunity for all Coachella Valley residents, through driving our shared regional agenda to significantly increase affordable housing supply, securing greater regional community investment, leading a regional, state and federal advocacy agenda that shapes our local policy landscape, educating and activating the leadership of a greater base of community residents and officials, and strengthening our growing internal backbone that coordinates, convenes and supports our collaborative of more than 60 partner organizations. These efforts will ultimately result in a 30% decrease in the number of rent-burdened households in the Coachella Valley through the production of 10,000 new units of affordable housing by 2028. These units will provide safe, stable, and affordable housing for roughly 35,000 Coachella Valley residents households earning at or below 80% of area median income. According to American Community Survey data and program data from the United Lift Rental Assistance Program, the low-income, rent-burdened residents that represent the target population of Lift to Rise's work are disproportionately Black and Latinx, single parents (especially single mothers), and working in the low-wage hospitality and agricultural sectors. As of 2021, roughly two-thirds of Coachella Valley renters are considered rent-burdened, meaning they pay more than 30% of their income on rent, and roughly one quarter pay more than half of their income on rent. Not only are housing stability and affordability foundational drivers of economic mobility, but they are also a key social determinant of health that support the wellbeing of individuals, families, and our entire community. This work directly aligns with the core mission and strategic vision of the Desert Healthcare District as defined in its strategic plan to address the economic stability and housing security of its constituents. We are thrilled for the opportunity to ask and invite DHCD to join us as we continue to expand economic opportunity for everyone who calls our valley home.

Community Need for the Project:

According to the National Low Income Housing Coalition, the Riverside-San Bernardino-Ontario Metropolitan Statistical Area has among the most severe shortages of affordable and available housing for low-income renters in the entire nation. In the Coachella Valley, roughly two-thirds of renters pay more than 30% of their income on rent and a quarter spend more than half of their income on rent.

The need for this project is characterized by the multi-year trend of median rent prices rapidly outpacing increases in wages for the local workforce, especially in the agricultural and hospitality/tourism sectors which are the most common job types occupied by the local low-income renter population and the primary economic drivers of the Coachella Valley economy. This has resulted in a situation where the average renter in our region must make double what they earn for the average rents in our region to be affordable to them. This dynamic is forcing families to find cheaper housing in the rural fringe of the Coachella Valley, far away from job centers -- according to a recent study by the U.S. Center for Economic Studies, 34% of Coachella Valley residents commute more than 50 miles to work. This dynamic has also led to racial disparities in homeownership, with Black and Latino households in Coachella Valley being significantly less likely to own their homes than their white and Asian neighbors.

There is ample academic research that links lack of access to affordable housing to negative outcomes in health, mental health, economic mobility, education, and community resilience. Coachella Valley residents not only need but deserve access to safe, affordable, and dignified housing that will provide the foundation for them to thrive. Alongside our partners, Lift to Rise is working to meet that community need through the production of 10,000 units of affordable housing by 2028.

Strategic Plan Alignment:

Goal 5 Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis)

Strategy: 5.1 Reduce the negative impacts of social determinants of health on homelessness in Coachella Valley (Priority: Moderate)

Strategy: 5.2 Reduce the negative impacts of social determinants of health on affordable housing in Coachella Valley (Priority: Moderate)

Strategy: 5.3 Reduce the negative impacts of social determinants of health on poverty in Coachella Valley (Priority: Moderate/Low)

Strategy: 5.4 Expand health action planning on the co-location of healthcare services within affordable housing developments in Coachella Valley (Priority: Moderate)

Project Description and Use of District funds:

Lift to Rise will use District Funds for organizational operating support for its ongoing efforts to drive regional economic stability through collective impact organizing around radically increasing the supply of affordable housing in the Coachella Valley.

The funds requested will be used to drive our shared regional agenda to significantly increase affordable housing supply, secure greater regional community investment, lead

a regional, state and federal advocacy agenda that shapes our local policy landscape, educate and activate the leadership of a greater base of community residents and officials, and strengthen our growing internal backbone that coordinates, convenes and supports our collaborative of more than 60 partner organizations.

Description of the Target Population (s):

Low-income (earning at or below 80% of Area Median Income), BIPOC renters, especially those with children age 0-5 and working in the hospitality/tourism and agricultural sectors.

Geographic Area(s) Served:

All District Areas

Age Group:

- (0-5) Infants
- (06-17) Children
- (18-24) Youth
- (25-64) Adults
- (65+) Seniors

Total Number of District Residents Served:

Direct: 35,000

Indirect: 50,000

Project Goals and Evaluation

Goal #1:

Identify 3,000 units/year that meet criteria for the affordable housing pipeline (with an emphasis on colocation with healthcare and childcare facilities) and move 50% of pipeline projects to development:

- Identify 3,000 new units for pipeline by 12/31/2023 and another 3,000 by 12/31/2024
- Review local housing elements and creatively activate or re-purpose vacant land in partnership with county and municipal governments, school districts, utilities and others
- Develop criteria for health and Early Childcare and Education co-location, and develop healthcare and childcare plans to be connected to housing
- Identify 3-4 infrastructure plays that could accelerate development.

Evaluation #1:

- Monitor and track the # of units identified as well as the # of units that move from planned to under development in the “Development Status” field within our Affordable Housing Pipeline Portal.
- Monitor and track the # of sites within each city’s Housing Element Update sites inventory that are being considered for affordable housing development via an RFP process issued by a city or negotiations with an affordable housing developer.
- Monitor and track the # of projects that have an ECE facility either co-located within the development or associated with the development; monitor and track the # of projects that have health facility either co-located within the development or associated with the development.

<p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategies 5.2, and 5.4.</p>	<ul style="list-style-type: none"> • Monitor and track the # of catalytic infrastructure investments made and the \$ amount of those investments; monitor and track the # of affordable units unlocked via such investments.
<p>Goal #2: Grow We Lift: the Coachella Valley’s Housing Catalyst Fund’s lending pool to more than \$60 million to be invested in moving projects to development</p> <ul style="list-style-type: none"> • Raise \$30 million in grants for We Lift’s loan loss pool, to be matched by \$30 million in CDFI and other funds to support predevelopment, land acquisition, and permanent financing to move to construction • Raise \$10 million in grant dollars to support housing connected to health and ECE outcomes • Deploy We Lift loans to at least four projects per year • NOTE – Lift to Rise is not proposing that District funds be allocated into the We Lift fund – the funds will be used as organizational operating support, which includes administering the We Lift fund and building the local market for affordable housing investment. <p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategy 5.4.</p>	<p>Evaluation #2:</p> <ul style="list-style-type: none"> • Track the \$ amount of funding secured for the We Lift fund • Track the \$ amount of funding leveraged to support housing connect to health and ECE outcomes • Track the # of loans deployed to projects • Track the # of units catalyzed through deployed loans
<p>Goal #3: Advocate for changes in federal and state regulations for affordable housing programs that remove barriers for our region and align our local jurisdictions in establishing pro-housing policies that support development.</p> <ul style="list-style-type: none"> • Federal focus: Seek opportunities for the region to access CDFI Capital Magnet Fund and HUD and USDA housing programs. • State focus: Re-orient climate and density goals to fit inland California 	<p>Evaluation #3:</p> <ul style="list-style-type: none"> • Monitor and track # of affordable housing / infrastructure-related NOFAs and funding opportunities made available via Federal agencies that apply to local governments or community based organizations in our region. • Monitor and track the # of public comments for bills and regulations at the State level that Lift to Rise and partners submitted; # of bills and

<p>regions in the guidelines and regulations of state funding programs.</p> <ul style="list-style-type: none"> • County focus: Work with health and childcare agencies to support affordable housing tied to health and ECE, and unlock new funding for development • City focus: Support all nine Coachella Valley cities to earn the HCD Pro-Housing Designation and with emphasize by right development and streamlined entitlement. <p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategy 5.2.</p>	<p>regulations updated as a result of our shared advocacy</p> <ul style="list-style-type: none"> • Monitor and track the # of local jurisdictions, including Riverside County, who have applied for the Pro-housing Designation; monitor and track the # of local jurisdictions, including Riverside County, who have received the Pro-housing Designation. • Monitor and track the # of healthcare and ECE agencies engaged around collaborative efforts to co-locate affordable housing with health and ECE infrastructure.
<p>Goal #4: Educate and activate resident leaders, partners, and public officials to advocate for affordable housing in the region.</p> <ul style="list-style-type: none"> • Build compelling case for affordable housing and supporting media and materials through work with The Case Made and Swell Creative Group • Identify other housing advocates in the region and build partnerships around shared agenda interests • Activate the Resident Leadership Table to educate residents and increase resident civic engagement through attendance at public meetings, letters of support, and other activities in support of affordable housing • Mobilize CAN members and their networks to support affordable housing proposals • Design and deliver curricula to educate public officials and for community members who wish to advocate • Develop materials and work with partners to equip elected and appointed public officials with data and arguments in support of affordable housing. 	<p>Evaluation #4:</p> <ul style="list-style-type: none"> • Monitor and track the # of community residents actively participating in the Resident Leadership Table • Monitor and track the # of community residents attending Lift 101 and Lift to Rise Townhall events • Monitor and track the # of community residents mobilized in support of affordable housing projects at local city council and planning commission public meetings • Monitor and track # of local elected officials engaged around an affordable housing education campaign / curriculum targeted at local elected officials.

<p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategy 5.2.</p>	
<p>Goal #5: Build and sustain the capacity of Lift to Rise to serve as backbone organization for the Housing CAN, provide thought leadership in the region around affordable housing and its fundamental relationship with health and economic dignity, and administer We Lift: the Coachella Valley’s Housing Catalyst Fund.</p> <p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategies 5.2. and 5.4.</p>	<p>Evaluation #5:</p> <ul style="list-style-type: none"> • Monitor and track the # of employees hired by Lift to Rise and the length of time they stay at the organization • Monitor and track the # of professional development trainings/resources accessed by Lift to Rise employees • Monitor and track the # of employees hired by Lift to Rise and the length of time they stay at the organization • Monitor and track the # of professional development trainings/resources accessed by Lift to Rise employees

Proposed Project Evaluation Plan

Every two years, Lift to Rise and the more than 60 cross-sector partners in the Housing Collaborative Action Network (CAN) engage in a strategic planning process to co-create our shared Action Plan for the following two years. Each Action Plan, rooted in both quantitative data analysis and deep community listening, details a set of strategies and actions agreed upon by the members of the CAN to guide us towards our shared result of reducing regional rent burden by 30% through the production of 10,000 units of affordable housing by 2028. As the backbone of this network of partners, Lift to Rise also produces a workplan for these strategies and actions, which includes the key performance metrics listed in Evaluations #1 - #5. These performance metrics allow us to track the progress of our shared work and creates an accountability mechanism for Lift to Rise and our partners to sustain our aligned contributions toward achieving our shared result. As an iterative process, the evaluation and tracking of our performance measures also informs what strategies and actions are included in future Action Plans.

Organizational Capacity and Sustainability

Organizational Capacity

Our core staff of 15 is led by our CEO, Heather Vaikona, who has more than 20 years of experience in building diverse mission-driven coalitions, and 8 years of experience building our collaborative supported by close relationships with elected and appointed federal, state, and local leadership. Heather is recognized nationally as a groundbreaking place-based leader and participates in multiple national and state committees, boards and taskforces that drive investment and opportunity for our region. Her leadership is supported by Joe Mota, Director of Resident Engagement, a lifelong community organizer and power builder through his roles at the UFW, The Coachella Valley Housing Coalition, and multiple labor unions; Ian Gabriel, Director of Data and Policy, whose background in housing policy and data expertise guides our evidence-based agenda; Kenny Rodgers, a seasoned affordable housing finance professional and the Market Director for the Coachella Valley Housing Catalyst Fund; and a team of

additional growing leadership whose experience and expertise ranges from policy to communications to community organizing. Additionally, our team receives capacity building and leadership development support from staff at Riverside County and leading national collective impact, policy and investment experts including the Center for Community Investment and the Annie E. Casey Foundation.

Organizational Sustainability:

This proposal and the goals outlined herein align directly with our robust collaborative Action Plan (attached), our targeted five- and ten-year goals and our business plan that seeks to match local philanthropic investment with national philanthropic investment, thereby drawing down significant additional investment to the region.

As described in other areas of this proposal, every two years Lift to Rise engages in a co-creative strategic planning process with partners to produce an Action Plan around our shared result of radically increasing affordable housing supply. To date, this process has been facilitated by nationally recognized Senior Advisor to the Collective Impact Forum Paul Schmitz and has been tremendously successful in supporting us to realize our shared goals. The 5 main goals defined in this application directly align with our Action Plan and internal workplan.

Lift's board supports our leadership team to lead an annual work-planning process that aligns with both our Action Plan, individual team members work plans and our annual budget. Each June we present a fiscal year work plan to our board that aligns with our budget and the business funding plan required to achieve our internal goals and action plan results.

Diversity, Equity, and Inclusion

How does your organization address diversity, equity, and inclusion at the board and executive staff levels?

Racial Equity is one of Lift to Rise's organizational values and we seek to imbed and center this value in all of our decision making, organizational governance, and the implementation of our work. All of our core strategies target reducing economic disparities that fall along racial and ethnic lines and specifically seek to increase economic opportunity for majority communities of color and disproportionately impacted single women led households.

Lift to Rise's board and staff are majority BIPOC leaders and all staff are engaged in racial equity leadership development and coaching including our CEO who is one of ten national leaders included in the Annie E Casey Foundation's Anti-Racist White Leader's cohort. Lift to Rise is governed by a majority BIPOC board who govern the organization together with direction from our Resident Leadership Table who are directly involved and oversee strategic decision making of the organization including our Housing Catalyst Fund. Additionally, Lift to Rise seeks to implement our equity values in both pay and professional development equity insuring we are accountable to pay equity in wages and professional development opportunities for all staff.

If your organization is not currently addressing diversity, equity, and inclusion at the board and executive staff levels, please explain the barriers, such as

knowledge, financial investment, capacity, etc., that are preventing you from doing so.

Partnerships:

Key Partners:

Lift to Rise's mission is to bring together institutional and community leaders to collaboratively solve the underlying causes of poverty and inequality. The foundation of our work is cross-sector collaboration, as exemplified by the 60+ partners that comprise the Housing CAN. These partners include our lead institutional partner, Riverside County (including the office of Supervisor V. Manuel Perez and Riverside County Housing and Workforce Solutions), alongside elected officials and/or staff from all nine Coachella Valley cities, affordable housing developers (including Coachella Valley Housing Coalition, CHOC Housing, and Abode Communities), community-based organizations and resident groups (including TODEC, COFEM, the Galilee Center, and Desert Highland Gateway Estates Community Action Association), funders (including the Annie E. Casey Foundation, the Desert Health Care District, and Wells Fargo), community development financial institutions (including the Low Income Investment Fund and RCAC), and more. Lift to Rise excels in building robust partnership that benefits our shared agenda and directly benefits partner organizations by increasing opportunity, resource and organizational impact. These partners were not only involved in the co-creation of our shared Action Plan, but also contribute to the workplan associated with moving the Action Plan's strategies and actions. A full list of our partners is included in our Action Plan attached in the Attachments section.

Line Item Budget Operational Costs

PROGRAM OPERATIONS		Total Program/Project Budget	Funds from Other Sources Detail on sheet 3	Amount Requested from DHCD
Total Staffing Costs Detail on sheet 2		5,853,975.75	5,095,725.75	758,250.00
Total Professional Services/Consultants Detail on sheet 2		779,310.00	637,560.00	141,750.00
Equipment (itemize)				
1	N/A			-
2				-
3				-
4				-
Supplies (itemize)				
1	Office Expense (supplies, phone, internet)	903,561.16	903,561.16	-
2				-
3				-
4				-
Printing/Duplication		46,100.06	46,100.06	-
Mailing/Postage		-	-	-
Travel/Mileage		461,000.59	461,000.59	-
Education/Training		507,100.65	507,100.65	-
Office/Rent/Mortgage		275,940.00	275,940.00	-
Telephone/Fax/Internet				-
Utilities				-
Insurance		138,300.18	138,300.18	-
Other facility costs not described above (itemize)				
1	Information Technology	737,600.94	737,600.94	-
2	Janitorial	132,300.00	132,300.00	-
3	Security	55,320.07	55,320.07	-
4				-
Other program costs not described above (itemize)				
1	Recruiting	157,500.00	157,500.00	-
2	Events, Seminars	553,200.71	553,200.71	-
3	CAN Meetings, Resident Engagement	1,844,002.36	1,844,002.36	-
4	Housing Fund Direct Cost	40,000,000.00	40,000,000.00	-
5	Research	236,250.00	236,250.00	-
Total Program Budget				
		52,681,462.47	51,781,462.47	900,000.00
Budget Narrative	This budget represents the total annual cost of maintaining the Housing CAN over the 3 year grant period.			

**Line Item Budget
Staffing Costs**

Staff Salaries		Salary During Grant Period	% of Time Allocated to Program	Actual Program Salary	Amount of Salary Paid by DHCD Grant
Employee Position/Title					
2	Director of Policy	480,249.00	100%	480,249.00	168,087.15
3	Director of Resident Engagement	458,419.50	100%	458,419.50	160,446.83
4	Director of Communication	458,419.50	100%	458,419.50	160,446.83
5	Director of Development	458,419.50	100%	458,419.50	114,604.88
6	Operations Manager	307,203.75	100%	307,203.75	92,161.13
13	Resident Engagement Coordinator	245,227.50	100%	245,227.50	62,503.20
15	All Other Positions	3,446,037.00	100%	3,446,037.00	-
Total Employee Benefits					
Enter this amount in Section 1; Staffing Costs				Total >	758,250.00
Budget Narrative	CEO	Organizational leadership and fundraising			
	Director of Policy	Leads data analysis and works with stakeholders to influence policy-making			
	Director of Resident Engagement	Responsible for leading resident engagement team to facilitate community discussions and understand community challenges around affordable housing			
	Director of Communication	Responsible for external communication strategy and content			
	Director of Development	Grant and relationship management			
	Operations Manager	Coordinates department activities to create cohesive and efficient office environment			
	Senior Policy Analyst	Policy and program research			
	Affordable Housing Pipeline Manager	Helps to monitor progress of LTR's housing agenda			
	Senior Resident Engagement Manager	Resident outreach			
	Executive Assistant	Assistant to CEO and misc admin support			
	Bookkeeper	Maintains accounting records			
	Development Coordinator	Assists in grant writing and management			
	Resident Engagement Coordinator	Resident outreach			
	Communications Associate	Assists in development of external communication strategy and content development			
Data Analyst	Data research and analysis to support Housing CAN				
Budget Narrative	Annual salary includes cost of employer payroll taxes and benefits. Benefits include a 403(b) retirement plan, health/dental/vision insurance, life insurance, and flexible savings accounts.				
Professional Services / Consultants		Hourly Rate	Hours/Week	Fee for Grant Period	Fees Paid by DHCD Grant
Company and Staff Title					
3	Leading Inside Out			170,100.00	51,030.00
5	Results Based Consulting			45,360.00	-
8	Rally			453,600.00	90,720.00
9	All Other Service Providers			110,250.00	-
Enter this amount in Section 1; Staffing Costs				Total >	141,750.00
Budget Narrative	HR Advantage - HR support				
	Gonda+Co - Accounting/CFO services				
	Leading Inside Out - Action planning and leadership consulting				
	Swell - Communications support, marketing				
	On Common Ground - Leadership and strategy consulting				
	Kerry O'Brien - Legal and consulting				
	Plaza Strategies - Communication support				
Rally - Communication support, marketing					
Smith Marion - Annual audit					

Line Item Budget Other Program Funds

Other funding received (actual or projected) SPECIFIC to this program/project		Amount
Fees		
Donations		90,000.00
Grants (List Organizations)		
1	Annie Casey Foundation	250,000.00
2	Wells Fargo	125,000.00
4	Bank of America	200,000.00
5	Annenberg Foundation	75,000.00
6	Kaiser Foundation	490,000.00
7	Riverside County	2,000,000.00
8	State of CA	15,000,000.00
8	Private Funders	5,000,000.00
9	RAP Foundation	100,000.00
10	State HCD Funding	25,000,000.00
Fundraising (describe nature of fundraiser)		
1	1st Annual Lift to Rise Award Ceremony	3,600,000.00
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		51,930,000.00
Budget Narrative	Items 1-8 are actual. Items 9-10 are pending grants. We are happy to share our internal working grant pipeline that includes actual and pending funding. Due to its confidential, private nature, we would like to share this information confidentially.	

Grant Scoring Review

Grant Staff Review # 1 of 4

Executive Summary: 9

Community Need and Alignment: 9

Goals: 9

Proposed Evaluation Plan: 9

Applicant Capacity and Infrastructure: 8

Organizational Sustainability: 8

Budget: 8

Key Partners/Collaborations: 10

Total Score: 70.00

Reviewer Comments:

After utilizing resources during the COVID pandemic to ensure households would be able stay in their homes through a successful Rental Assistance Program, Lift To Rise is pivoting back to concentrating heavily on increasing the number of affordable housing units that will ultimately lead to a 30% decrease in the number of rent-burdened households in the CV. With the addition of a healthcare nexus and aggressively seeking health care providers as new partners, LTR has embedded in the Action Plan a health action planning component that will seek to ensure that connections to health and childcare resources will be available to the residents who will be inhabiting the new units. This funding will provide the operational support of the Housing CAN that will continue to increase the affordable housing supply, secure greater regional community investment, and lead an advocacy agenda to shape local policy.

Response Notes:

Average Review Score:

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

Sum of all Reviews:

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

Total average proposal score: 88/100

Grant Scoring Review

Grant Staff Review # 2 of 4

Executive Summary: 10

Community Need and Alignment: 10

Goals: 9

Proposed Evaluation Plan: 9

Applicant Capacity and Infrastructure: 10

Organizational Sustainability: 9

Budget: 10

Key Partners/Collaborations: 10

Total Score: 77.00

Reviewer Comments:

Lift to Rise has been a local leader in advocating for affordable housing and reducing barriers for developers to gain access to much needed resources to get housing projects from the planning stage to breaking ground. DHCD grant dollars will ensure Lift to Rise continues to have the staffing to continue their work and reach their ultimate goal of having 10,000 new affordable housing units for District residents.

Response Notes:

Average Review Score:

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

Sum of all Reviews:

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

Total average proposal score: 88/100

Grant Scoring Review

Grant Staff Review # 3 of 4

Executive Summary: 9

Community Need and Alignment: 8

Goals: 7

Proposed Evaluation Plan: 8

Applicant Capacity and Infrastructure: 8

Organizational Sustainability: 8

Budget: 8

Key Partners/Collaborations: 10

Total Score: 66.00

Reviewer Comments:

Lift to Rise has created a community-driven process to tackle two complex areas of work: housing stability and economic opportunity. Their request is to seek operating support to continue to make strides towards advancing the shared regional agenda to increase the affordable housing supply which includes securing greater regional community investment, leading advocacy agendas, educating and activating the region's leadership, and strengthening their capacity to maintain and advance their collaborative of more than 60 partner organizations. This project aligns with the District's low/moderate strategies of goal 5. Therefore, I am recommending that we advance this grant with the reduction of \$100,000 in their consultant fees. Their consultant fees are heavily used for strategic planning. We provide strategic planning/capacity building technical assistance to other nonprofit organizations at a much smaller scale and we should remain consistent.

Response Notes:

Average Review Score:

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

Sum of all Reviews:

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

Total average proposal score: 88/100

Grant Scoring Review

Grant Staff Review # 4 of 4

Executive Summary: 8

Community Need and Alignment: 8

Goals: 9

Proposed Evaluation Plan: 8

Applicant Capacity and Infrastructure: 9

Organizational Sustainability: 9

Budget: 9

Key Partners/Collaborations: 10

Total Score: 70.00

Reviewer Comments:

This project as submitted highlights the ongoing need for sustainable permanent housing for Coachella Valley community members. This project focuses on Strategic Plan Goal 5 that includes a plan to identify 3,000 living units per year over a 3 year period that can be added to the available housing for this community. The uniqueness of this project is the identified planned linkage to partnerships that will provide health and early intervention connectors for those being housed. This capacity will be evaluated by tracking the number of units accomplished against the goal. This project also plans to co-locate or place in close proximity to these housing units the necessary health support services to support sustainable positive outcomes related to long term permanent housing status. The identified use of District funds focused on the creation of the units for housing and the linkage necessary to supportive services is evident however, the fees associated with consultation services (\$141,750) should be removed and deducted from the request amount as this line item is not commonly supported at this level by the District. The numerous identified partnerships already in place to support the necessary housing capacity buildout will benefit from the addition of healthcare and early intervention partnerships to insure success.

Response Notes:

Average Review Score:

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

Sum of all Reviews:

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

Total average proposal score: 88/100

Grant Scoring Review

Fiscal Staff Review # 1 of 2

Fiduciary Compliance: 8

Financial Stability: 8

Total Score: 16.00

Reviewer Comments: Fiduciary Compliance -

The FY 06/30/22 audit report is unmodified. The Board of Directors accepted the audit report. However, the draft audit report has yet to be finalized.

Audit report Current Ratio is strong (1.09:1), which represents the grantee's ability to pay its short-term liabilities.

The Net Assets increased by \$50k as of 6/30/22, with Total Net Assets of \$919k. Internal financial statements, as of 1/31/23, shows a decrease of \$170k. The Balance Sheet is in good order.

Financial Stability

Grantee demonstrates a moderately sound financial position.

Grantee has diversified resources for this project of \$19.8M. The District's grant of \$300k (x3=\$900k) is well supported by other resources.

I recommend reviewing annually for approval of the 2nd and 3rd year of funding.

Response Notes:

Average Review Score:

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

Sum of all Reviews:

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

Total average proposal score: 88/100

Grant Scoring Review

Fiscal Staff Review # 2 of 2

Fiduciary Compliance: 9

Financial Stability: 10

Total Score: 19.00

Reviewer Comments: Draft of Audited financial statements reviewed and approved by Board of Directors. Positive cash flow documented for 2022 fiscal year. Balance sheet shows sufficient assets to address liabilities. Grant value is reasonable in comparison to overall organizational budget. Multiple funding sources included in organizational and project budgets. Strategic plan in place to identify current and future sources of funding.

Response Notes:

Average Review Score:

Fiscal Staff Review Stage: 17.5 (2 of 2)

Grant Program Staff Review Stage: 70.75 (4 of 4)

Sum of all Reviews:

Fiscal Staff Review Stage: 35 (2 of 2)

Grant Program Staff Review Stage: 283 (4 of 4)

Total average proposal score: 88/100

EXHIBIT B – Grant #1391

PAYMENT SCHEDULE, REQUIREMENTS & DELIVERABLES

Project Title

Driving Regional Economic Stability Through Collective Impact

Start/End

6/1/2023
5/31/2026

PAYMENTS:

(12) Payments: \$67,500.00

10% Retention: \$90,000.00

Total request amount: \$ 900,000.

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
6/01/2023	Signed Agreement submitted & accepted.	Advance of \$67,500.00 for time period 6/01/2023 – 8/31/2023
10/01/2023	1st quarterly (6/01/2023 – 8/31/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 9/01/2023 – 11/30/2023
1/01/2024	2nd quarterly (9/01/2023 – 11/30/2023) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 12/01/2023 – 2/29/2024
4/01/2024	3rd quarterly (12/01/2023 – 2/29/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 3/01/2024 – 5/31/2024
7/01/2024	4th quarterly (3/01/2024 – 5/31/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 6/01/2024 – 8/31/2024

10/01/2024	5th quarterly (6/01/2024 – 8/31/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 9/01/2024 – 11/30/2024
1/01/2025	6th quarterly (9/01/2024 – 11/30/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 12/01/2024 – 2/28/2025
4/01/2025	7th quarterly (12/01/2024 – 2/28/2025) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 3/01/2025 – 5/31/2025
7/01/2025	8th quarterly (3/01/2025 – 5/31/2025) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 6/01/2025 – 8/31/2025
10/01/2025	9th quarterly (6/01/2025 – 8/31/2025) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 9/01/2025 – 11/30/2025
1/01/2026	10th quarterly (9/01/2025 – 11/30/2025) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 12/01/2025 – 2/28/2026
4/01/2026	11th quarterly (12/01/2025 – 2/28/2026) progress report, budget reports and receipts submitted & accepted	Advance of \$67,500.00 for time period 3/01/2026 – 5/31/2026
7/01/2026	12th quarterly (3/01/2026 – 5/31/2026) progress report, budget reports and receipts submitted & accepted	\$0
7/15/2026	Final report (6/01/2023 – 5/31/2026) and final budget report submitted & accepted	\$90,000.00 (10% retention)

TOTAL GRANT AMOUNT: \$ 900,000.

DELIVERABLES:

Project Goals and Evaluation

<p>Goal #1: Identify 3,000 units/year that meet criteria for the affordable housing pipeline (with an emphasis on colocation with healthcare and childcare facilities) and move 50% of pipeline projects to development:</p> <ul style="list-style-type: none"> • Identify 3,000 new units for pipeline by 12/31/2023 and another 3,000 by 12/31/2024 • Review local housing elements and creatively activate or re-purpose vacant land in partnership with county and municipal governments, school districts, utilities and others • Develop criteria for health and Early Childcare and Education co-location, and develop healthcare and childcare plans to be connected to housing • Identify 3-4 infrastructure plays that could accelerate development. <p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategies 5.2, and 5.4.</p>	<p>Evaluation #1:</p> <ul style="list-style-type: none"> • Monitor and track the # of units identified as well as the # of units that move from planned to under development in the “Development Status” field within our Affordable Housing Pipeline Portal. • Monitor and track the # of sites within each city’s Housing Element Update sites inventory that are being considered for affordable housing development via an RFP process issued by a city or negotiations with an affordable housing developer. • Monitor and track the # of projects that have an ECE facility either co-located within the development or associated with the development; monitor and track the # of projects that have health facility either co-located within the development or associated with the development. • Monitor and track the # of catalytic infrastructure investments made and the \$ amount of those investments; monitor and track the # of affordable units unlocked via such investments.
<p>Goal #2: Grow We Lift: the Coachella Valley’s Housing Catalyst Fund’s lending pool to more than \$60 million to be invested in moving projects to development</p> <ul style="list-style-type: none"> • Raise \$30 million in grants for We Lift’s loan loss pool, to be matched by \$30 million in CDFI and other funds to support predevelopment, land acquisition, and permanent financing to move to construction • Raise \$10 million in grant dollars to support housing connected to health and ECE outcomes 	<p>Evaluation #2:</p> <ul style="list-style-type: none"> • Track the \$ amount of funding secured for the We Lift fund • Track the \$ amount of funding leveraged to support housing connect to health and ECE outcomes • Track the # of loans deployed to projects • Track the # of units catalyzed through deployed loans

<ul style="list-style-type: none"> • Deploy We Lift loans to at least four projects per year • NOTE – Lift to Rise is not proposing that District funds be allocated into the We Lift fund – the funds will be used as organizational operating support, which includes administering the We Lift fund and building the local market for affordable housing investment. <p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategy 5.4.</p>	
<p>Goal #3: Advocate for changes in federal and state regulations for affordable housing programs that remove barriers for our region and align our local jurisdictions in establishing pro-housing policies that support development.</p> <ul style="list-style-type: none"> • Federal focus: Seek opportunities for the region to access CDFI Capital Magnet Fund and HUD and USDA housing programs. • State focus: Re-orient climate and density goals to fit inland California regions in the guidelines and regulations of state funding programs. • County focus: Work with health and childcare agencies to support affordable housing tied to health and ECE, and unlock new funding for development • City focus: Support all nine Coachella Valley cities to earn the HCD Pro-Housing Designation and with emphasize by right development and streamlined entitlement. <p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategy 5.2.</p>	<p>Evaluation #3:</p> <ul style="list-style-type: none"> • Monitor and track # of affordable housing / infrastructure-related NOFAs and funding opportunities made available via Federal agencies that apply to local governments or community based organizations in our region. • Monitor and track the # of public comments for bills and regulations at the State level that Lift to Rise and partners submitted; # of bills and regulations updated as a result of our shared advocacy • Monitor and track the # of local jurisdictions, including Riverside County, who have applied for the Pro-housing Designation; monitor and track the # of local jurisdictions, including Riverside County, who have received the Pro-housing Designation. • Monitor and track the # of healthcare and ECE agencies engaged around collaborative efforts to co-locate affordable housing with health and ECE infrastructure.
<p>Goal #4: Educate and activate resident leaders, partners, and public officials to advocate for affordable housing in the region.</p>	<p>Evaluation #4:</p> <ul style="list-style-type: none"> • Monitor and track the # of community residents actively participating in the Resident Leadership Table

<ul style="list-style-type: none"> • Build compelling case for affordable housing and supporting media and materials through work with The Case Made and Swell Creative Group • Identify other housing advocates in the region and build partnerships around shared agenda interests • Activate the Resident Leadership Table to educate residents and increase resident civic engagement through attendance at public meetings, letters of support, and other activities in support of affordable housing • Mobilize CAN members and their networks to support affordable housing proposals • Design and deliver curricula to educate public officials and for community members who wish to advocate • Develop materials and work with partners to equip elected and appointed public officials with data and arguments in support of affordable housing. <p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategy 5.2.</p>	<ul style="list-style-type: none"> • Monitor and track the # of community residents attending Lift 101 and Lift to Rise Townhall events • Monitor and track the # of community residents mobilized in support of affordable housing projects at local city council and planning commission public meetings • Monitor and track # of local elected officials engaged around an affordable housing education campaign / curriculum targeted at local elected officials.
<p>Goal #5: Build and sustain the capacity of Lift to Rise to serve as backbone organization for the Housing CAN, provide thought leadership in the region around affordable housing and its fundamental relationship with health and economic dignity, and administer We Lift: the Coachella Valley’s Housing Catalyst Fund.</p> <p>This project goal coincides with the District and Foundation’s Strategic Plan Goal #5, specifically under strategies 5.2. and 5.4.</p>	<p>Evaluation #5:</p> <ul style="list-style-type: none"> • Monitor and track the # of employees hired by Lift to Rise and the length of time they stay at the organization • Monitor and track the # of professional development trainings/resources accessed by Lift to Rise employees • Monitor and track the # of employees hired by Lift to Rise and the length of time they stay at the organization • Monitor and track the # of professional development trainings/resources accessed by Lift to Rise employees



DESERT REGIONAL MEDICAL CENTER

Fair Market Value Analysis Schedules

Final Report

Distributed on Friday, May 19, 2023

Valuation Date: April 17, 2023

INTRODUCTION

VMG Holdings LLC d/b/a VMG Health ("VMG" or "we") has been engaged by Desert Healthcare District & Desert Healthcare Foundation ("Desert Healthcare") to estimate the Fair Market Value of the Business Enterprise of Desert Regional Medical Center (the "Hospital") as of a current date for Management planning purposes.

STANDARD & PREMISE OF VALUE

The standard of value applicable in this engagement is Fair Market Value ("FMV"). For the purposes of this engagement, FMV is generally defined by the International Glossary of Business Valuation Terms as the price, expressed in terms of cash equivalents, at which a property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. In our opinion this premise of value represents the highest and best use of the subject business assets. The level of value assumed is a fully marketable, controlling ownership interest in the assets of the subject business.

SCOPE OF THE ENGAGEMENT

This engagement is a Valuation Engagement as generally outlined below:

A "Valuation Engagement" is defined by the American Institute of Certified Public Accountants ("AICPA") Statement on Standards for Valuation Services ("SSVS") No. 1 in VS sec. 100, and establishes standards for the valuation of a business, business ownership interest, security, or intangible asset. This involves an estimate of value of a subject interest applying the valuation approaches and methods deemed appropriate in the circumstances. The Analysis expresses the valuation conclusion as either a single amount or a range.

INTENDED USERS

Our report is intended for use solely by Management and only for the indicated purpose. Our analysis is to be used for no other purpose or distributed, in whole or in part, to third parties, other than the Internal Revenue Service, Office of Inspector General, or other regulatory authorities without the express written consent of VMG. Furthermore, the result of our analysis should not be construed as a fairness opinion or investment recommendation. The obligation of VMG is solely a corporate obligation, and no officer, principal, director, employee, agent, shareholder, or controlling person shall be subjected to any personal liability whatsoever to any person or entity, nor will any such claim be asserted by or on behalf of any other party to this agreement or any person relying on the opinion.

CERTIFYING & CONTRIBUTING APPRAISERS

Certifying Appraiser: Colin McDermott, CFA, CPA/ABV

Other Contributing Appraisers: Jordan Tussy and Rene Kinkade

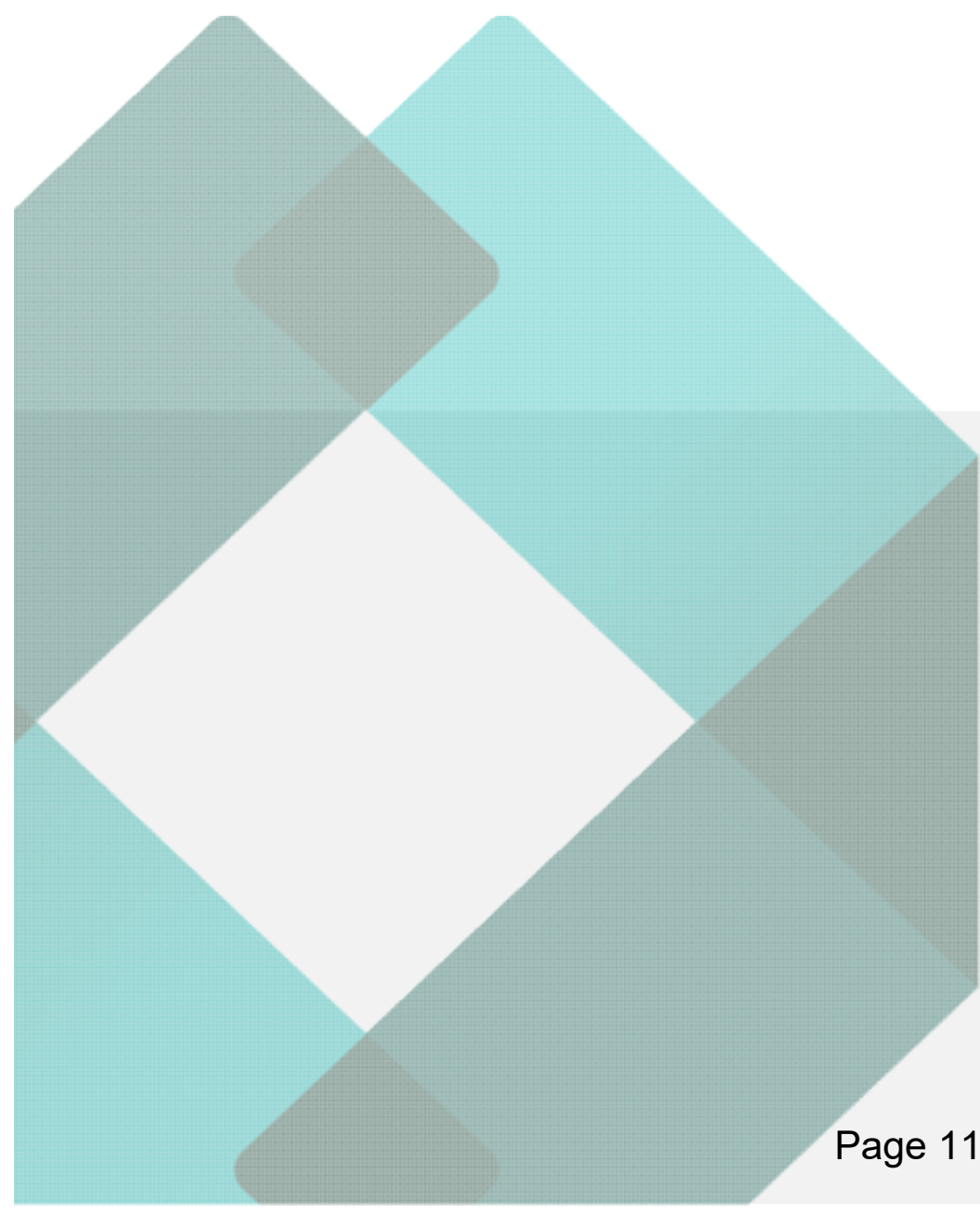


QUALIFYING ASSUMPTIONS

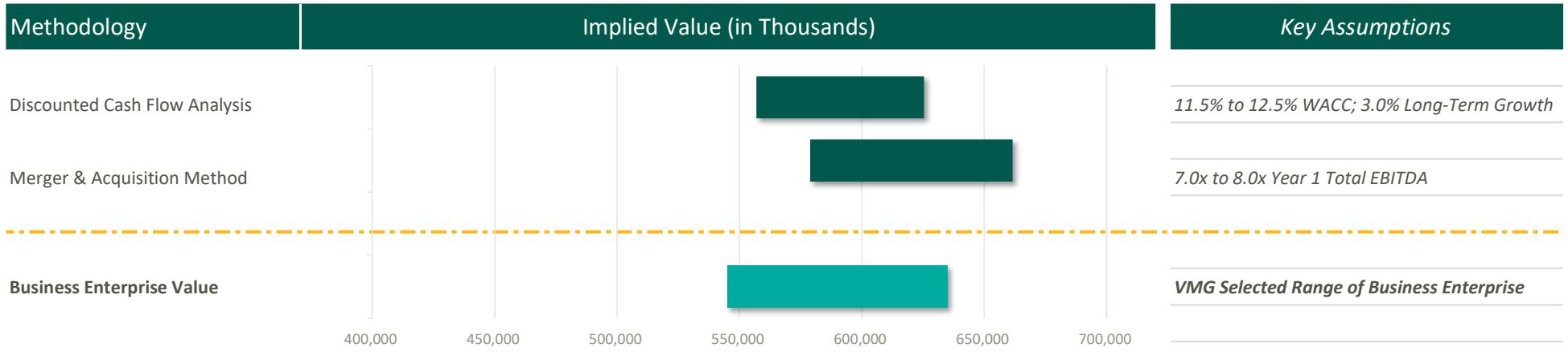
Amendment of any assumption qualified below could materially impact any conclusions of value presented herein.

- Desert Healthcare District (the "District" or "Lessor") is a political subdivision of the State of California. The District was established to own and operate an acute-care hospital located at 1150 N. Indian Canyon Dr. in Palm Springs, CA, which is now commonly known as Desert Regional Medical Center (the "Hospital"). The District entered into a Hospital Lease Agreement (the "Hospital Lease") on May 30, 1997 with a subsidiary of Tenet Healthcare, Inc. ("Tenet" or "Lessee") for a 30 year term whereby Tenet would lease from the District all real property and personal property ("Leased Premises") which were used in the operation of the Hospital and its related activities including outpatient centers, clinics, physician practices, and medical office buildings (collectively, the "Desert Business").
- Seismic renovation and retrofit activities in California hospitals are dictated by a broad legislative and regulatory framework, all of which originated with California SB 1953. This legislation established seismic safety goals for California hospitals and mandated compliance for hospital structural support systems by January 2030. The Hospital Lease term is set to expire in 2027, prior to the January 2030 compliance deadline established by California SB 1953. VMG understands the Hospital Lease dictates that the Lessee is only responsible for costs to comply with California SB 1953 during the term of the Hospital Lease, and if the Hospital Lease is terminated or allowed to expire, the District would be required to pay any remaining costs to comply with the law. The valuation herein assumes in the event of a transaction, the District would deliver a seismic compliant asset. Where appropriate, this report acknowledges the potential impact of Seismic Upgrade Cost and the uncertainty regarding the estimate indicated in the Seismic and PML Assessment, but VMG does not have an opinion as to the amount of Seismic Upgrade Costs.
- Tenet provided VMG with unaudited internal financial statements for the reporting entity "694 - Desert Regional Medical Center" including Income Statement and Balance Sheet data for the fiscal year ("FY") periods ended December 31, 2018, 2019, 2020, 2021, 2022, and Income Statement data for the trailing twelve months ("TTM") ended February 28, 2023. VMG relied upon data provided by Management or obtained from third parties, including accountants, counsel, published sources and commercial databases without audit or verification regarding the accuracy of such information. VMG has not independently audited or confirmed the accuracy of the data provided and we are relying on the data as materially true and correct. To the extent that the information provided to VMG is inaccurate, we reserve the right to amend our analysis accordingly.
- VMG understands the Hospital is currently operated by a large public company as a part of the Desert Care Network, which includes JFK Memorial Hospital and Hi-Desert Medical Center. The Hospital may benefit operationally and financially from this affiliation through network management, improved contracting strength or expense management. If the Hospital is not affiliated with Tenet or the Desert Care Network, the future impact, if any, to its financial performance is unknown.
- We understand the financial statements provided by Tenet do not include allocation of certain corporate overhead and management-related costs which would typically be incurred at the local level if the hospital was not operating as part of a larger corporate organization. The TTM 2023 income statement was adjusted in the Normalized Base Year ("NBY") to reflect a \$10.0 million corporate overhead charge based on Management representations.
- VMG understands that the Hospital financial statements do not include revenues and expenses associated with certain physician practice operations which contribute to the operations of the Hospital. These entities are captured under separate financial statements, which were provided by Hospital management for the most recent TTM 2023 period. The Normalized Base Year Income Statement was adjusted to include the TTM 2023 physician investment of approximately \$15.7 million. These adjustments are detailed further in this report.
- Business Enterprise Value ("BEV") reflects the value of the Hospital operations inclusive of a normalized level of cash-free working capital. Working capital includes accounts receivables and other current assets less non-interest bearing current liabilities that permit a business to conduct daily operations and maintain liquidity. Normalized net working capital is estimated at approximately 15.0% of net operating revenue based on the Hospital's actual working capital levels.





DESERT REGIONAL MEDICAL CENTER
EXECUTIVE SUMMARY



Key Assumptions

11.5% to 12.5% WACC; 3.0% Long-Term Growth

7.0x to 8.0x Year 1 Total EBITDA

VMG Selected Range of Business Enterprise

VMG Selected Range of Business Enterprise	Low	Mid-Point	High
Fair Market Value Indication, Business Enterprise Level	\$545,000,000	\$590,000,000	\$635,000,000

Implied Market Multiples		Low	Mid-Point	High
BEV / Normalized Base Year Total Net Operating Revenue	\$604,032,683	0.9x	1.0x	1.1x
BEV / Normalized Base Year EBITDA	\$86,277,718	6.3x	6.8x	7.4x
BEV / Year 1 Total Net Operating Revenue	\$625,052,599	0.9x	0.9x	1.0x
BEV / Year 1 EBITDA	\$82,690,257	6.6x	7.1x	7.7x



Conclusion of Value	Low	Mid-Point	High
Fair Market Value of the Business Enterprise, Rounded	\$545,000,000	\$590,000,000	\$635,000,000
<i>Less: Normalized Working Capital included in the Business Enterprise Calculation</i>	<i>(\$90,600,000)</i>	<i>(\$90,600,000)</i>	<i>(\$90,600,000)</i>
Business Enterprise Value, Less Working Capital (Rounded)	\$454,400,000	\$499,400,000	\$544,400,000

***Please note, the figures presented above do not adjust for any debt and debt-like items associated with the Hospital assets, including finance leases reported on the balance sheet.*

Notes & Sources

(1) Business Enterprise Value ("BEV") calculation presented on the prior page.





DESERT REGIONAL MEDICAL CENTER
HISTORICAL FINANCIALS & OPERATIONS

DESERT REGIONAL MEDICAL CENTER
Historical Financials & Operations | Balance Sheet

Footnotes	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Assets										
<i>Current Assets</i>										
Cash & Equivalents	\$2,550	\$2,550	\$2,200	\$1,450	\$1,000	0.0%	0.0%	0.0%	0.0%	0.0%
Net Patient Receivables	121,452,988	113,975,750	109,327,288	109,828,256	117,174,704	36.5%	31.8%	31.6%	32.5%	34.2%
Inventory	6,909,019	6,586,304	7,194,817	7,144,351	7,162,324	2.1%	1.8%	2.1%	2.1%	2.1%
Prepaid Expenses	2,092,766	2,692,713	2,882,589	1,982,026	1,996,169	0.6%	0.8%	0.8%	0.6%	0.6%
DSH Receivable	67,317,429	78,907,994	90,368,127	90,315,762	97,385,550	20.3%	22.0%	26.2%	26.7%	28.4%
Physician / Group Guarantee Receivable	13,289,573	38,735,295	19,580,313	16,679,831	12,736,399	4.0%	10.8%	5.7%	4.9%	3.7%
Other Receivables	4,643,225	5,600,798	4,897,436	4,667,227	7,072,080	1.4%	1.6%	1.4%	1.4%	2.1%
	215,707,550	246,501,404	234,252,770	230,618,903	243,528,226	64.9%	68.8%	67.8%	68.2%	71.1%
<i>Fixed Assets</i>										
Land	3,075,825	3,075,825	3,075,825	3,075,825	3,075,825	0.9%	0.9%	0.9%	0.9%	0.9%
Land Improvements	63,600	189,516	175,110	242,933	370,759	0.0%	0.1%	0.1%	0.1%	0.1%
Buildings	13,644,767	12,499,224	12,486,391	15,229,422	13,756,633	4.1%	3.5%	3.6%	4.5%	4.0%
Leasehold Improvements	37,101,866	32,648,385	28,229,011	23,799,713	19,498,889	11.2%	9.1%	8.2%	7.0%	5.7%
Fixed Equipment	7,767,959	8,119,947	10,709,436	10,501,272	9,222,246	2.3%	2.3%	3.1%	3.1%	2.7%
Major Moveable Equipment	15,013,049	19,251,959	18,229,568	20,054,364	19,364,061	4.5%	5.4%	5.3%	5.9%	5.7%
Other Equipment	4,045,458	2,177,051	4,180,874	2,351,981	4,547,329	1.2%	0.6%	1.2%	0.7%	1.3%
Construction in Progress	3,115,208	4,346,262	5,843,686	5,117,070	3,591,574	0.9%	1.2%	1.7%	1.5%	1.0%
Finance Lease Asset	11,585,213	6,908,302	5,337,808	6,393,672	6,460,599	3.5%	1.9%	1.5%	1.9%	1.9%
	95,412,945	89,216,471	88,267,709	86,766,252	79,887,915	28.7%	24.9%	25.6%	25.6%	23.3%
<i>Other Assets</i>										
Noncurrent Deposits	74,447	74,447	74,447	57,287	57,287	0.0%	0.0%	0.0%	0.0%	0.0%
Long-Term Prepaid Assets	38,501	27,383	25,598	7,933	64,777	0.0%	0.0%	0.0%	0.0%	0.0%
Software	10,742,282	9,653,061	8,715,406	7,758,646	6,498,719	3.2%	2.7%	2.5%	2.3%	1.9%
Goodwill	10,429,611	10,429,611	10,429,611	10,429,611	10,429,611	3.1%	2.9%	3.0%	3.1%	3.0%
Right of Use - Operating Lease Asset	-	3,310,572	3,879,787	2,924,319	2,058,409	-	0.9%	1.1%	0.9%	0.6%
Deferred Rent	-	(839,013)	(201,599)	(176,643)	(143,150)	-	(0.2%)	(0.1%)	(0.1%)	(0.0%)
	21,284,841	22,656,061	22,923,250	21,001,153	18,965,653	6.4%	6.3%	6.6%	6.2%	5.5%
Total Assets	\$332,405,336	\$358,373,936	\$345,443,729	\$338,386,308	\$342,381,794	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Growth</i>	<i>n/a</i>	<i>7.8%</i>	<i>(3.6%)</i>	<i>(2.0%)</i>	<i>1.2%</i>					

Notes & Sources

(1) Sources: We have utilized unaudited financials provided by Management for the time periods presented.



DESERT REGIONAL MEDICAL CENTER
Historical Financials & Operations | Balance Sheet

Footnotes	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Liabilities & Shareholders' Equity										
<i>Current Liabilities</i>										
Net Accounts Payable	18,454,200	19,200,353	17,751,543	21,302,271	21,122,284	5.6%	5.4%	5.1%	6.3%	6.2%
Accrued Salaries and Benefits	15,081,985	15,722,533	14,468,879	12,442,118	14,382,881	4.5%	4.4%	4.2%	3.7%	4.2%
Medicaid Assessment Payable - Provider Fee	20,376,637	28,501,998	29,188,956	32,942,555	36,933,411	6.1%	8.0%	8.4%	9.7%	10.8%
Estimated Physician / Group Guarantee	16,580,771	41,272,415	19,580,313	16,679,831	12,736,399	5.0%	11.5%	5.7%	4.9%	3.7%
Temp Help Agency	933,708	641,595	436,647	3,818,282	3,869,744	0.3%	0.2%	0.1%	1.1%	1.1%
Accrued Interest Payable	-	(177)	(1,436)	7,533	9,380	-	(0.0%)	(0.0%)	0.0%	0.0%
Finance Lease - Current Portion	4,393,367	3,224,380	2,270,853	2,295,477	2,339,850	1.3%	0.9%	0.7%	0.7%	0.7%
Operating Lease - Current Portion	-	1,007,737	1,226,714	1,023,384	1,083,734	-	0.3%	0.4%	0.3%	0.3%
COVID-19 Accelerated Payments	-	-	42,446,155	22,230,610	-	-	-	12.3%	6.6%	-
COVID-19 Grant Fund Payable	-	-	24,820	3,700,531	-	-	-	0.0%	1.1%	-
Other Current Liabilities	768,619	400,127	459,573	711,546	603,958	0.2%	0.1%	0.1%	0.2%	0.2%
	76,589,287	109,970,961	127,853,017	117,154,138	93,081,641	23.0%	30.7%	37.0%	34.6%	27.2%
<i>Long-Term Liabilities</i>										
Asset Retirement Obligation	2,254,931	2,427,029	2,610,936	2,788,673	4,754,993	0.7%	0.7%	0.8%	0.8%	1.4%
Finance Lease Obligation	3,582,287	2,580,451	1,445,153	2,547,124	2,166,826	1.1%	0.7%	0.4%	0.8%	0.6%
Operating Lease Obligation	-	2,302,834	3,239,516	2,224,633	1,150,642	-	0.6%	0.9%	0.7%	0.3%
Deferred Income	684,116	62,330	306,667	176,507	283,820	0.2%	0.0%	0.1%	0.1%	0.1%
	6,521,334	7,372,644	7,602,272	7,736,937	8,356,281	2.0%	2.1%	2.2%	2.3%	2.4%
<i>Equity</i>										
Intercompany Accounts	(304,750,051)	(387,978,984)	(401,144,516)	(510,287,916)	(570,237,086)	(91.7%)	(108.3%)	(116.1%)	(150.8%)	(166.6%)
Retained Earnings	299,095,893	373,772,786	356,396,549	468,767,308	558,307,316	90.0%	104.3%	103.2%	138.5%	163.1%
Common Stock and Additional Paid-in Capital	254,948,874	255,236,527	254,736,406	255,015,844	252,873,644	76.7%	71.2%	73.7%	75.4%	73.9%
	249,294,716	241,030,329	209,988,439	213,495,236	240,943,874	75.0%	67.3%	60.8%	63.1%	70.4%
Total Liabilities & Equity	\$332,405,337	\$358,373,934	\$345,443,728	\$338,386,311	\$342,381,796	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Growth</i>	<i>n/a</i>	<i>7.8%</i>	<i>(3.6%)</i>	<i>(2.0%)</i>	<i>1.2%</i>					

Notes & Sources

(1) Sources: We have utilized unaudited financials provided by Management for the time periods presented.



Historical Financials & Operations | Reported Net Working Capital

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Current Assets					
Cash & Equivalents	<i>Excluded from Cash-Free Working Capital</i>				
Net Patient Receivables	121,452,988	113,975,750	109,327,288	109,828,256	117,174,704
Inventory	6,909,019	6,586,304	7,194,817	7,144,351	7,162,324
Prepaid Expenses	2,092,766	2,692,713	2,882,589	1,982,026	1,996,169
DSH Receivable	67,317,429	78,907,994	90,368,127	90,315,762	97,385,550
Physician / Group Guarantee Receivable	<i>Excluded</i>				
Other Receivables	4,643,225	5,600,798	4,897,436	4,667,227	7,072,080
	<u>\$202,415,427</u>	<u>\$207,763,559</u>	<u>\$214,670,257</u>	<u>\$213,937,622</u>	<u>\$230,790,827</u>

Current Liabilities

Net Accounts Payable	\$18,454,200	\$19,200,353	\$17,751,543	\$21,302,271	\$21,122,284
Accrued Salaries and Benefits	15,081,985	15,722,533	14,468,879	12,442,118	14,382,881
Medicaid Assessment Payable - Provider Fee	20,376,637	28,501,998	29,188,956	32,942,555	36,933,411
Estimated Physician / Group Guarantee	<i>Excluded</i>				
Temp Help Agency	933,708	641,595	436,647	3,818,282	3,869,744
Accrued Interest Payable	<i>Excluded</i>				
Finance Lease - Current Portion	<i>Excluded</i>				
Operating Lease - Current Portion	<i>Excluded</i>				
COVID-19 Accelerated Payments	<i>Excluded</i>				
COVID-19 Grant Fund Payable	<i>Excluded</i>				
Other Current Liabilities	768,619	400,127	459,573	711,546	603,958
	<u>\$55,615,149</u>	<u>\$64,466,606</u>	<u>\$62,305,598</u>	<u>\$71,216,772</u>	<u>\$76,912,278</u>

Reported Cash-Free Net Working Capital	\$146,800,278	\$143,296,953	\$152,364,659	\$142,720,850	\$153,878,549
Cash-Free Net Working Capital - Excluding Provider Fee	\$99,859,486	\$92,890,957	\$91,185,488	\$85,347,643	\$93,426,410
Total Net Operating Revenue	\$558,075,994	\$582,252,377	\$588,166,270	\$635,777,757	\$600,333,559
Total Net Operating Revenue Less Supplemental Payments	\$506,789,083	\$530,321,989	\$531,209,037	\$578,819,166	\$551,404,743
<i>Reported Cash-Free Net Working Capital as a Percentage Total Net Operating Revenue</i>	<i>26.3%</i>	<i>24.6%</i>	<i>25.9%</i>	<i>22.4%</i>	<i>25.6%</i>
<i>Cash-Free Net Working Capital, Excluding Provider Fee, as a Percentage of Revenue Less Supplemental Payments</i>	<i>19.7%</i>	<i>17.5%</i>	<i>17.2%</i>	<i>14.7%</i>	<i>16.9%</i>

Notes & Sources

(1) Sources: We have utilized unaudited financials provided by Management for the time periods presented.



Historical Financials & Operations | Reported Net Working Capital

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Key Ratios					
Days Sales Outstanding	87.61	78.53	78.04	72.19	77.80
Days Inventory on Hand	31.35	29.35	33.10	32.41	34.95
Days Payables Outstanding	n/a	85.23	82.30	96.56	103.08

Normalized Working Capital Calculation					NBY
NBY Net Operating Revenue					\$604,032,683
Times: Required Net Working Capital Level					15.0%
Equals: Normalized Net Working Capital (Rounded)					\$90,600,000

Guideline Public Company Cash-Free Net Working Capital					
	FYE - 3	FYE - 2	FYE - 1	FYE	TTM
1. HCA Healthcare, Inc.	6.2%	4.5%	5.2%	5.8%	5.8%
2. Tenet Healthcare Corporation	5.1%	1.1%	(0.3%)	5.2%	5.2%
3. Universal Health Services, Inc.	3.8%	(0.3%)	2.2%	5.0%	5.0%
4. Community Health Systems, Inc.	8.2%	2.4%	6.4%	7.8%	7.8%
<i>Median</i>	5.6%	1.7%	3.7%	5.5%	5.5%
<i>Mean</i>	5.8%	1.9%	3.4%	5.9%	5.9%

Days Sales Outstanding

1. HCA Healthcare, Inc.	52.54	50.00	50.36	53.95	53.95
2. Tenet Healthcare Corporation	72.61	78.52	69.50	74.50	74.50
3. Universal Health Services, Inc.	50.07	54.60	50.43	54.96	54.96
4. Community Health Systems, Inc.	66.18	63.87	64.22	63.88	63.88
<i>Median</i>	59.36	59.23	57.32	59.42	59.42
<i>Mean</i>	60.35	61.75	58.63	61.82	61.82

Days Inventory on Hand

1. HCA Healthcare, Inc.	21.06	22.92	19.99	20.37	20.37
2. Tenet Healthcare Corporation	9.62	11.77	11.47	12.19	12.19
3. Universal Health Services, Inc.	8.53	10.07	9.95	9.68	9.68
4. Community Health Systems, Inc.	15.96	16.58	17.79	17.64	17.64
<i>Median</i>	12.79	14.18	14.63	14.91	14.91
<i>Mean</i>	13.79	15.34	14.80	14.97	14.97

Days Payables Outstanding

1. HCA Healthcare, Inc.	33.21	40.24	41.34	41.85	41.75
2. Tenet Healthcare Corporation	37.37	38.81	38.89	45.35	45.27
3. Universal Health Services, Inc.	23.89	30.31	31.75	28.25	28.21
4. Community Health Systems, Inc.	36.34	38.66	41.71	38.61	38.62
<i>Median</i>	34.78	38.73	40.11	40.23	40.19
<i>Mean</i>	32.70	37.00	38.42	38.52	38.46

Notes & Sources

(1) Sources: Standard & Poor's Capital IQ as of April 17, 2023.



Historical Capital Expenditures	2019	2020	2021	YTD July 2022
Total Capital Expenditures	\$10,779,843	\$9,399,804	\$8,991,786	\$6,558,608
As a Percentage of Net Patient Revenue	2.0%	1.8%	1.6%	3.5%
As a Percentage of Net Operating Revenue	1.9%	1.6%	1.4%	3.2%
As a Percentage of EBITDA (Including Physician Practice)	10.4%	7.5%	5.8%	17.0%

Management Capital Budget

\$ Millions				Capital			EBITDA		
Description	Planning Type	Start Date	Duration (Months)	2023	2024	2025	2023	2024	2025
Cath Lab and EP Lab Replacement	2. Business Initiative (Construction)	Q2	36.0	\$3.3	\$3.4	\$7.0	\$1.3	\$0.9	\$0.9
MRI Upgrade	1. Business Initiative (Equipment)	Q2	6.0	1.3	0.0	0.0	2.1	0.0	0.0
Elevator Refresh	4. Facility Maintenance (Infrastructure)	Q4	24.0	2.1	1.2	0.0	0.0	0.0	0.0
Clinical Information Systems Upgrades	5. Other (Not Funded by Corporate)	Q2	9.0	1.0	0.0	0.0	0.0	0.0	0.0
Hybrid OR	2. Business Initiative (Construction)	Q1	36.0	0.3	5.0	5.0	2.0	2.6	2.6
Surgical and NeuroSurgical Equipment	3. Replacement (Equipment / Furniture)	Q1	18.0	0.8	0.5	0.0	0.0	0.0	0.0
Cardiology Equipment	1. Business Initiative (Equipment)	Q1	3.0	0.1	0.0	0.0	0.0	0.0	0.0
Obstetrics Equipment	1. Business Initiative (Equipment)	Q1	9.0	0.5	0.0	0.0	0.4	0.0	0.0
Oncology Equipment	3. Replacement (Equipment / Furniture)	Q1	9.0	0.5	0.0	0.0	0.0	0.0	0.0
Trauma Equipment	1. Business Initiative (Equipment)	Q1	6.0	0.3	0.0	0.0	0.0	0.0	0.0
Total (VMG Calculated)				\$10.2	\$10.1	\$12.0	\$5.8	\$3.5	\$3.5
As a Percentage of Forecast 2023 Net Operating Revenue				1.6%					
As a Percentage of Forecast 2023 EBITDA				12.4%					
Total (Given)				\$9.9	\$10.1	\$12.0	\$5.8	\$3.5	\$3.5
<i>Delta</i>				<i>\$0.3</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

Notes & Sources

(1) Sourced from management provided "7.4 Desert Regional_2023_Capital Projects".



DESERT REGIONAL MEDICAL CENTER
Historical Financials & Operations | Income Statement

								Common Size Historical Income Statement						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023	NBY
Gross Revenues														
Gross Inpatient Revenue	2,672,250,347	2,916,862,163	3,071,686,104	3,371,699,284	3,650,353,927	3,742,388,690	3,742,388,690	478.8%	501.0%	522.2%	530.3%	608.1%	617.4%	619.6%
Gross Outpatient Revenue	1,208,795,840	1,350,494,837	1,316,041,414	1,527,969,132	1,545,028,467	1,590,333,930	1,590,333,930	216.6%	231.9%	223.8%	240.3%	257.4%	262.4%	263.3%
	3,881,046,187	4,267,357,000	4,387,727,518	4,899,668,416	5,195,382,394	5,332,722,620	5,332,722,620	695.4%	732.9%	746.0%	770.7%	865.4%	879.8%	882.9%
Adjustments & Refunds														
Inpatient Contractual	(2,317,061,582)	(2,542,947,176)	(2,708,251,965)	(2,976,859,150)	(3,260,091,376)	(3,340,500,902)	(3,343,174,400)	(415.2%)	(436.7%)	(460.5%)	(468.2%)	(543.0%)	(551.1%)	(553.5%)
Outpatient Contractual	(1,057,845,813)	(1,194,039,963)	(1,169,544,237)	(1,372,433,605)	(1,386,742,129)	(1,429,998,512)	(1,431,142,981)	(189.6%)	(205.1%)	(198.8%)	(215.9%)	(231.0%)	(235.9%)	(236.9%)
Bad Debt Expense	(122,109)	(642,597)	1,405,904	4,891,390	1,201,272	939,404	939,404	(0.0%)	(0.1%)	0.2%	0.8%	0.2%	0.2%	0.2%
	(3,375,029,504)	(3,737,629,736)	(3,876,390,298)	(4,344,401,365)	(4,645,632,233)	(4,769,560,010)	(4,773,377,977)	(604.8%)	(641.9%)	(659.1%)	(683.3%)	(773.8%)	(786.9%)	(790.3%)
Net Patient Revenue	506,016,683	529,727,264	511,337,220	555,267,051	549,750,161	563,162,610	559,344,643	90.7%	91.0%	86.9%	87.3%	91.6%	92.9%	92.6%
<i>Growth</i>	<i>n/a</i>	<i>4.7%</i>	<i>(3.5%)</i>	<i>8.6%</i>	<i>(1.0%)</i>	<i>2.4%</i>	<i>(0.7%)</i>							
Other Operating Revenue														
Supplemental Payments	51,286,911	51,930,388	56,957,233	56,958,591	48,928,816	41,328,972	43,235,883	9.2%	8.9%	9.7%	9.0%	8.2%	6.8%	7.2%
Other Operating Revenue	772,400	594,725	973,230	1,305,478	1,475,897	1,452,157	1,452,157	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
COVID-19 Grant Income	-	-	18,898,587	22,246,637	178,685	178,685	-	-	-	3.2%	3.5%	0.0%	0.0%	-
	52,059,311	52,525,113	76,829,050	80,510,706	50,583,398	42,959,814	44,688,040	9.3%	9.0%	13.1%	12.7%	8.4%	7.1%	7.4%
Total Net Operating Revenue	558,075,994	582,252,377	588,166,270	635,777,757	600,333,559	606,122,424	604,032,683	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Growth</i>	<i>n/a</i>	<i>4.3%</i>	<i>1.0%</i>	<i>8.1%</i>	<i>(5.6%)</i>	<i>1.0%</i>	<i>(0.3%)</i>							
Operating Expenses														
<i>Employee Salaries & Wages</i>														
Salaries & Wages	184,892,790	188,212,504	186,566,525	188,993,751	199,124,822	201,493,008	198,539,314	33.1%	32.3%	31.7%	29.7%	33.2%	33.2%	32.9%
Contract Labor	7,024,170	12,899,364	7,956,410	16,877,989	27,513,447	26,198,265	26,198,265	1.3%	2.2%	1.4%	2.7%	4.6%	4.3%	4.3%
	191,916,960	201,111,868	194,522,935	205,871,740	226,638,269	227,691,273	224,737,579	34.4%	34.5%	33.1%	32.4%	37.8%	37.6%	37.2%
<i>Employee Benefits</i>														
Payroll Taxes	13,959,337	14,440,491	13,635,148	14,476,440	14,685,225	14,792,450	14,792,450	2.5%	2.5%	2.3%	2.3%	2.4%	2.4%	2.4%
Employee Benefits	40,666,532	43,255,085	43,873,698	45,761,240	45,369,432	45,865,291	45,878,021	7.3%	7.4%	7.5%	7.2%	7.6%	7.6%	7.6%
	54,625,869	57,695,576	57,508,846	60,237,680	60,054,657	60,657,741	60,670,471	9.8%	9.9%	9.8%	9.5%	10.0%	10.0%	10.0%
<i>Occupancy Costs</i>														
Lease Expense	2,513,748	2,148,388	2,445,181	2,298,969	1,805,746	1,813,373	1,813,373	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Utilities	4,881,355	4,646,033	4,255,256	5,672,426	5,870,080	6,213,004	6,213,004	0.9%	0.8%	0.7%	0.9%	1.0%	1.0%	1.0%
Property Taxes	1,214,548	1,333,548	1,385,065	1,407,026	1,464,862	1,496,545	1,496,545	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
	8,609,651	8,127,969	8,085,502	9,378,421	9,140,688	9,522,922	9,522,922	1.5%	1.4%	1.4%	1.5%	1.5%	1.6%	1.6%
<i>Drugs & Medical Supplies</i>														
Medical Supplies	26,087,466	26,932,637	27,294,001	28,462,231	26,252,616	26,827,390	27,315,204	4.7%	4.6%	4.6%	4.5%	4.4%	4.4%	4.5%
Implants	17,230,868	17,009,589	14,987,467	14,760,733	14,578,506	14,652,146	14,652,146	3.1%	2.9%	2.5%	2.3%	2.4%	2.4%	2.4%
Drugs & Pharmaceuticals	31,283,690	32,116,216	30,853,755	30,280,637	27,707,021	27,846,259	27,846,259	5.6%	5.5%	5.2%	4.8%	4.6%	4.6%	4.6%
Other Supplies	4,974,006	4,949,431	4,995,573	4,899,953	4,930,075	5,027,051	5,027,051	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%
Personal Protective Equipment	866,827	895,751	1,205,327	2,066,789	1,340,990	1,287,743	1,287,743	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%
	80,442,857	81,903,624	79,336,123	80,470,343	74,809,208	75,640,589	76,128,403	14.4%	14.1%	13.5%	12.7%	12.5%	12.5%	12.6%
<i>Corporate Services</i>														
Conifer Collection Fees	14,273,645	14,865,418	14,032,872	14,643,113	14,607,978	14,936,121	14,936,121	2.6%	2.6%	2.4%	2.3%	2.4%	2.5%	2.5%
Information Technology	14,175,286	16,668,777	16,589,987	16,332,151	11,919,612	12,380,122	12,380,122	2.5%	2.9%	2.8%	2.6%	2.0%	2.0%	2.0%
Advertising	1,392,113	1,619,686	1,373,303	1,375,676	1,380,627	1,380,626	1,380,626	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Global Business Center	366,962	151,543	324,338	884,219	968,805	940,199	940,199	0.1%	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%
	30,208,006	33,305,424	32,320,500	33,235,159	28,877,022	29,637,068	29,637,068	5.4%	5.7%	5.5%	5.2%	4.8%	4.9%	4.9%



DESERT REGIONAL MEDICAL CENTER
Historical Financials & Operations | Income Statement

								Common Size Historical Income Statement						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023	NBY
<i>Other Medical Costs</i>														
Medical Fees	34,493,070	36,295,972	34,645,437	34,071,377	39,031,571	40,541,707	40,541,707	6.2%	6.2%	5.9%	5.4%	6.5%	6.7%	6.7%
Physician Income Assist	1,961,867	1,408,081	1,012,918	1,118,096	912,295	897,005	897,005	0.4%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
	36,454,937	37,704,053	35,658,355	35,189,473	39,943,866	41,438,712	41,438,712	6.5%	6.5%	6.1%	5.5%	6.7%	6.8%	6.9%
<i>Insurance</i>														
Malpractice Insurance	6,498,997	8,549,370	6,311,593	7,676,561	9,603,087	9,490,514	9,490,514	1.2%	1.5%	1.1%	1.2%	1.6%	1.6%	1.6%
Other Insurance	805,318	967,757	1,532,402	1,826,054	2,312,962	2,378,561	2,378,561	0.1%	0.2%	0.3%	0.3%	0.4%	0.4%	0.4%
	7,304,315	9,517,127	7,843,995	9,502,615	11,916,049	11,869,075	11,869,075	1.3%	1.6%	1.3%	1.5%	2.0%	2.0%	2.0%
<i>General & Administrative</i>														
Other Controllable Expenses	5,401,689	5,230,446	5,833,020	4,946,634	5,785,508	5,562,954	5,562,954	1.0%	0.9%	1.0%	0.8%	1.0%	0.9%	0.9%
Repairs & Maintenance	9,329,002	9,085,909	8,511,120	8,631,861	10,338,721	10,718,845	10,718,845	1.7%	1.6%	1.4%	1.4%	1.7%	1.8%	1.8%
Other Non-Medical Expenses	6,703,285	7,484,210	7,484,956	7,379,755	9,922,529	9,738,209	9,738,209	1.2%	1.3%	1.3%	1.2%	1.7%	1.6%	1.6%
Service Contracts	7,442,447	7,920,147	7,784,704	8,213,014	8,244,762	8,329,454	8,329,454	1.3%	1.4%	1.3%	1.3%	1.4%	1.4%	1.4%
Legal and Professional Fees	3,676,429	4,294,511	2,731,356	3,046,120	2,522,992	2,365,577	2,365,577	0.7%	0.7%	0.5%	0.5%	0.4%	0.4%	0.4%
License Fees	790,056	961,323	926,998	977,427	996,664	1,007,071	1,007,071	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Contributions	777,283	1,080,950	655,661	1,008,082	217,501	305,928	305,928	0.1%	0.2%	0.1%	0.2%	0.0%	0.1%	0.1%
Corporate Overhead	-	-	-	-	-	-	10,000,000	-	-	-	-	-	-	1.7%
Physician Investment	-	-	-	-	-	-	15,722,697	-	-	-	-	-	-	2.6%
	34,120,191	36,057,496	33,927,815	34,202,893	38,028,677	38,028,038	63,750,735	6.1%	6.2%	5.8%	5.4%	6.3%	6.3%	10.6%
Total Operating Expenses	443,682,786	465,423,137	449,204,071	468,088,324	489,408,436	494,485,418	517,754,965	79.5%	79.9%	76.4%	73.6%	81.5%	81.6%	85.7%
EBITDA	\$114,393,208	\$116,829,240	\$138,962,199	\$167,689,433	\$110,925,123	\$111,637,006	\$86,277,718	20.5%	20.1%	23.6%	26.4%	18.5%	18.4%	14.3%
Depreciation & Amortization Expense	15,427,239	16,412,508	16,571,163	16,965,423	17,487,388	17,626,177	17,626,177	2.8%	2.8%	2.8%	2.7%	2.9%	2.9%	2.9%
Interest Expense	478,698	408,966	256,456	241,975	364,313	401,908	-	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	-
Earnings Before Non-Operating Items	98,487,271	100,007,766	122,134,580	150,482,035	93,073,422	93,608,921	68,651,541	17.6%	17.2%	20.8%	23.7%	15.5%	15.4%	11.4%
Non-Operating Expense (Income)	10,446	241,153	167,208	286,297	174,064	177,243	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-
Earnings Before Income Taxes	98,476,825	99,766,613	121,967,372	150,195,738	92,899,358	93,431,678	68,651,541	17.6%	17.1%	20.7%	23.6%	15.5%	15.4%	11.4%
Federal & State Income Tax Expense	-	-	-	-	-	-	19,211,173	-	-	-	-	-	-	3.2%
Earnings After Income Taxes	\$98,476,825	\$99,766,613	\$121,967,372	\$150,195,738	\$92,899,358	\$93,431,678	\$49,440,368	17.6%	17.1%	20.7%	23.6%	15.5%	15.4%	8.2%
EBITDA Including Physician Investment	107,535,560	104,025,591	125,300,616	155,773,268	95,544,812	95,914,309	86,277,718	19.3%	17.9%	21.3%	24.5%	15.9%	15.8%	14.3%

Notes & Sources

(1) Sources: We have utilized unaudited financials provided by Management for the fiscal years ended ("FY") December 31, 2018 - 2022 and the trailing twelve months ended February 28, 2023 ("TTM 2023").



Historical Financials & Operations | Financial Summary

							Year-Over-Year Growth Rates				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023
Net Patient Revenue	\$506,016,683	\$529,727,264	\$511,337,220	\$555,267,051	\$549,750,161	\$563,162,610	4.7%	(3.5%)	8.6%	(1.0%)	2.4%
Other Operating Revenue											
Supplemental Payments	51,286,911	51,930,388	56,957,233	56,958,591	48,928,816	41,328,972	1.3%	9.7%	0.0%	(14.1%)	(15.5%)
Other Operating Revenue	772,400	594,725	973,230	1,305,478	1,475,897	1,452,157	(23.0%)	63.6%	34.1%	13.1%	(1.6%)
COVID-19 Grants	-	-	18,898,587	22,246,637	178,685	178,685	n/a	n/a	17.7%	(99.2%)	-
Total Net Operating Revenue	\$558,075,994	\$582,252,377	\$588,166,270	\$635,777,757	\$600,333,559	\$606,122,424	4.3%	1.0%	8.1%	(5.6%)	1.0%
Operating Expenses	450,540,434	478,226,786	462,865,654	480,004,489	504,788,747	510,208,115	6.1%	(3.2%)	3.7%	5.2%	1.1%
EBITDA	107,535,560	104,025,591	125,300,616	155,773,268	95,544,812	95,914,309	(3.3%)	20.5%	24.3%	(38.7%)	0.4%
Earnings Before Income Taxes	91,619,177	86,962,964	108,305,789	138,279,573	77,519,047	77,708,981	(5.1%)	24.5%	27.7%	(43.9%)	0.2%

Percentage of Net Revenue

Operating Expenses	80.7%	82.1%	78.7%	75.5%	84.1%	84.2%
EBITDA	19.3%	17.9%	21.3%	24.5%	15.9%	15.8%
Earnings Before Income Taxes	16.4%	14.9%	18.4%	21.7%	12.9%	12.8%

Notes & Sources

(1) Sources: We have utilized unaudited financials provided by Management for the fiscal years ended ("FY") December 31, 2018 - 2022 and the trailing twelve months ended February 28, 2023 ("TTM 2023").



Historical Financials & Operations | Non-Operating Expense (Income) Detail

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023
Earnings Before Non-Operating Items	\$98,487,271	\$100,007,766	\$122,134,580	\$150,482,035	\$93,073,422	\$93,608,921
Non-Operating Expense (Income)						
8490 Accretion Expense - Bldgs	159,024	174,804	192,156	286,727	306,788	312,180
8911 Loss/Gain - Fixed Assets	1,943	35,942	7,874	33,685	(95,102)	(95,102)
8962 Asset Impairment Expense	-	66,605	-	-	-	-
8912 System Implementation Cost - Other	17,044	-	-	-	-	-
8907 All Others	(167,565)	(36,198)	(32,822)	(34,115)	(37,622)	(39,835)
	10,446	241,153	167,208	286,297	174,064	177,243
Earnings Before Income Taxes	\$98,476,825	\$99,766,613	\$121,967,372	\$150,195,738	\$92,899,358	\$93,431,678

Notes & Sources

(1) Sources: We have utilized unaudited financials provided by Management for the fiscal years ended ("FY") December 31, 2018 - 2022 and the trailing twelve months ended February 28, 2023 ("TTM 2023").



DESERT REGIONAL MEDICAL CENTER

Historical Financials & Operations | Income Statement

	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	2022 Adj.	Jan-23	Feb-23	TTM 2023
Gross Revenues														
Gross Inpatient Revenue	295,639,478	290,888,876	289,669,239	270,844,230	275,127,907	311,166,358	311,326,265	328,293,682	327,877,403	348,775,575	-	369,423,029	323,356,648	3,742,388,690
Gross Outpatient Revenue	138,042,710	125,431,441	125,997,402	133,536,757	124,273,015	135,216,695	130,018,837	133,942,555	131,653,875	138,699,990	-	136,134,728	137,385,925	1,590,333,930
	433,682,188	416,320,317	415,666,641	404,380,987	399,400,922	446,383,053	441,345,102	462,236,237	459,531,278	487,475,565	-	505,557,757	460,742,573	5,332,722,620
Adjustments & Refunds														
Inpatient Contractual	(259,521,718)	(260,464,423)	(256,783,750)	(242,157,235)	(245,145,641)	(281,669,910)	(278,807,328)	(299,330,338)	(293,618,836)	(308,856,553)	-	(327,723,094)	(286,422,076)	(3,340,500,902)
Outpatient Contractual	(122,432,464)	(113,164,319)	(112,632,684)	(118,808,435)	(111,925,520)	(121,441,413)	(117,386,444)	(120,967,921)	(119,526,185)	(124,950,649)	-	(122,234,194)	(124,528,284)	(1,429,998,512)
Bad Debt Expense	172,566	491,091	11,097	25,346	60,366	74,142	8,031	7,467	17,957	59,195	-	(52,567)	64,713	939,404
	(381,781,616)	(373,137,651)	(369,405,337)	(360,940,324)	(357,010,795)	(403,037,181)	(396,185,741)	(420,290,792)	(413,127,064)	(433,748,007)	-	(450,009,855)	(410,885,647)	(4,769,560,010)
Net Patient Revenue	51,900,572	43,182,666	46,261,304	43,440,663	42,390,127	43,345,872	45,159,361	41,945,445	46,404,214	53,727,558	-	55,547,902	49,856,926	563,162,610
Other Operating Revenue														
Supplemental Payments	4,309,934	4,298,556	4,276,290	4,239,860	4,340,807	4,234,894	2,275,250	4,065,991	4,056,475	4,139,058	258,178	459,259	374,420	41,328,972
Other Operating Revenue	104,629	49,120	19,674	62,114	159,162	114,603	289,939	151,632	51,481	167,109	-	170,720	111,974	1,452,157
COVID-19 Grant Income	-	-	-	-	-	-	-	-	-	-	178,685	-	-	178,685
	4,414,563	4,347,676	4,295,964	4,301,974	4,499,969	4,349,497	2,565,189	4,217,623	4,107,956	4,306,167	436,863	629,979	486,394	42,959,814
Total Net Operating Revenue	56,315,135	47,530,342	50,557,268	47,742,637	46,890,096	47,695,369	47,724,550	46,163,068	50,512,170	58,033,725	436,863	56,177,881	50,343,320	606,122,424
Operating Expenses														
<i>Employee Salaries & Wages</i>														
Salaries & Wages	16,218,167	15,532,429	14,857,554	15,198,411	15,677,828	20,848,336	16,195,158	18,435,646	16,855,748	17,885,486	(35,510)	17,511,417	16,312,338	201,493,008
Contract Labor	3,220,810	2,647,290	2,634,766	2,202,160	1,891,962	2,478,090	1,381,392	1,263,437	1,716,795	1,994,579	-	2,826,827	1,940,157	26,198,265
	19,438,977	18,179,719	17,492,320	17,400,571	17,569,790	23,326,426	17,576,550	19,699,083	18,572,543	19,880,065	(35,510)	20,338,244	18,252,495	227,691,273
<i>Employee Benefits</i>														
Payroll Taxes	1,242,593	1,187,343	1,207,505	1,183,489	1,260,161	1,205,633	1,203,331	1,117,747	1,064,414	1,098,491	(1,258)	1,778,808	1,244,193	14,792,450
Employee Benefits	3,343,289	3,995,088	3,944,010	3,796,289	3,905,228	3,835,552	4,050,459	4,103,868	3,955,607	3,990,627	(1,570,971)	4,111,437	4,404,808	45,865,291
	4,585,882	5,182,431	5,151,515	4,979,778	5,165,389	5,041,185	5,253,790	5,221,615	5,020,021	5,089,118	(1,572,229)	5,890,245	5,649,001	60,657,741
<i>Occupancy Costs</i>														
Lease Expense	199,979	167,630	180,040	180,908	128,750	140,629	144,826	84,637	122,333	109,107	-	135,861	218,673	1,813,373
Utilities	579,626	444,280	503,352	474,732	597,319	568,854	600,701	531,366	315,849	442,788	-	617,286	536,851	6,213,004
Property Taxes	117,347	117,347	117,347	117,348	93,846	108,244	121,505	179,522	174,491	83,171	-	130,164	136,213	1,496,545
	896,952	729,257	800,739	772,988	819,915	817,727	867,032	795,525	612,673	635,066	-	883,311	891,737	9,522,922
<i>Drugs & Medical Supplies</i>														
Medical Supplies	2,127,936	2,263,402	2,166,348	2,282,645	1,549,719	2,524,633	2,518,195	2,109,765	2,422,518	2,009,935	-	2,738,990	2,113,304	26,827,390
Implants	1,422,497	1,233,195	1,252,663	1,163,750	1,149,779	1,087,615	1,012,370	1,220,482	1,044,432	1,345,911	-	1,619,132	1,100,320	14,652,146
Drugs & Pharmaceuticals	2,263,470	2,226,245	2,048,932	2,312,353	2,265,645	2,379,429	2,360,686	2,104,258	2,416,765	2,651,063	-	2,352,384	2,465,029	27,846,259
Other Supplies	417,305	355,648	315,681	400,546	315,681	400,546	438,684	446,870	401,099	499,539	-	567,382	449,290	5,027,051
Personal Protective Equipment	153,127	105,233	128,090	93,007	80,857	94,660	96,645	96,095	91,534	133,949	-	110,794	103,752	1,287,743
	6,384,335	6,183,723	6,021,007	6,167,436	5,446,546	6,476,370	6,426,580	5,977,470	6,376,348	6,560,397	-	7,388,682	6,231,695	75,640,589
<i>Corporate Services</i>														
Conifer Collection Fees	1,081,172	1,258,636	1,016,968	1,085,884	1,098,962	1,033,618	981,567	1,128,514	1,074,681	1,132,701	1,533,893	1,211,642	1,297,883	14,936,121
Information Technology	951,947	953,940	980,662	988,155	969,797	984,998	1,051,013	1,012,665	1,005,045	1,027,401	-	1,270,837	1,183,662	12,380,122
Advertising	(1)	(1)	1	-	-	-	-	-	-	-	1,380,627	-	-	1,380,626
Global Business Center	81,917	83,615	83,988	68,150	72,184	84,452	72,380	67,175	80,325	95,902	5,253	74,148	70,710	940,199
	2,115,035	2,296,190	2,081,619	2,142,189	2,140,943	2,103,068	2,104,960	2,208,354	2,160,051	2,256,004	2,919,773	2,556,627	2,552,255	29,637,068
<i>Other Medical Costs</i>														
Medical Fees	3,193,410	3,193,962	3,567,428	3,892,411	3,166,130	2,938,630	4,377,072	2,776,165	2,055,202	4,178,477	-	3,683,138	3,519,682	40,541,707
Physician Income Assist	111,549	114,178	119,278	123,973	110,894	9,130	51,770	(212,146)	99,164	125,460	-	125,082	118,673	897,005
	3,304,959	3,308,140	3,686,706	4,016,384	3,277,024	2,947,760	4,428,842	2,564,019	2,154,366	4,303,937	-	3,808,220	3,638,355	41,438,712
<i>Insurance</i>														
Malpractice Insurance	646,478	629,702	627,662	624,790	574,916	581,339	583,908	590,861	633,027	648,367	2,111,952	600,967	636,545	9,490,514
Other Insurance	141,335	141,365	141,106	140,976	148,029	144,372	141,235	141,236	140,976	140,976	609,015	173,970	173,970	2,378,561
	787,813	771,067	768,768	765,766	722,945	725,711	725,143	732,097	774,003	789,343	2,720,967	774,937	810,515	11,869,075
<i>General & Administrative</i>														
Other Controllable Expenses	590,485	421,011	524,909	564,946	444,941	401,148	487,994	369,692	392,420	457,910	-	408,783	498,715	5,562,954
Repairs & Maintenance	704,006	938,050	747,212	875,739	853,596	827,701	993,138	1,038,080	981,505	804,629	-	888,052	1,067,137	10,718,845
Other Non-Medical Expenses	828,700	783,184	822,404	954,541	785,310	884,316	722,502	705,030	939,407	788,776	-	810,613	713,426	9,738,209
Service Contracts	582,954	685,638	689,265	749,024	731,257	713,627	645,917	645,917	691,145	644,384	-	730,214	763,065	8,329,454
Legal and Professional Fees	119,982	121,801	158,309	193,017	190,499	261,155	211,893	292,753	239,821	240,837	-	51,059	284,451	2,365,577
License Fees	80,719	77,524	77,742	73,002	76,563	74,392	85,839	80,757	123,390	101,515	-	70,415	85,213	1,007,071
Contributions	16,042	13,542	21,667	21,667	17,500	20,333	22,833	35,750	31,950	21,625	-	52,873	37,638	305,928
	2,922,888	3,040,750	3,034,008	3,431,936	3,099,666	3,182,672	3,170,116	3,225,026	3,399,646	3,059,676	-	3,012,009	3,449,645	38,028,038
Total Operating Expenses	40,436,841	39,691,277	39,036,682	39,677,048	38,242,218	44,620,919	40,553,013	40,423,189	39,069,651	42,573,606	4,033,001	44,652,275	41,475,698	494,485,418
EBITDA	\$15,878,294	\$7,839,065	\$11,520,586	\$8,065,589	\$8,647,878	\$3,074,450	\$7,171,537	\$5,739,879	\$11,442,519	\$15,460,119	(\$3,596,138)	\$11,525,606	\$8,867,622	\$111,637,006



Historical Financials & Operations | Medical Group Income Statement

	Footnotes						Common Size Historical Income Statement				
		FYE 2019	FYE 2020	FYE 2021	FYE 2022	TTM 2023	FYE 2019	FYE 2020	FYE 2021	FYE 2022	TTM 2023
Net Patient Revenue											
Net Patient Revenue		8,041,176	9,491,300	11,343,586	11,557,595	11,796,627	56.0%	54.1%	53.6%	55.1%	54.9%
Growth		n/a	18.0%	19.5%	1.9%	2.1%					
Other Operating Revenue											
Capitation Revenue		1,654,317	2,141,533	2,334,320	2,641,449	2,847,217	11.5%	12.2%	11.0%	12.6%	13.3%
Other Operating Revenue		68,450	40,204	379,522	332,332	177,238	0.5%	0.2%	1.8%	1.6%	0.8%
Income from Related Entities		4,595,162	5,860,053	7,111,775	6,450,492	6,647,050	32.0%	33.4%	33.6%	30.7%	31.0%
		6,317,929	8,041,790	9,825,616	9,424,273	9,671,505	44.0%	45.9%	46.4%	44.9%	45.1%
Total Net Operating Revenue		14,359,106	17,533,090	21,169,202	20,981,868	21,468,132	100.0%	100.0%	100.0%	100.0%	100.0%
Growth		n/a	22.1%	20.7%	(0.9%)	2.3%					
Operating Expenses											
<i>Employee Salaries & Wages</i>											
Salaries, Wages & Benefits		3,526,802	11,211	3,049	3,905	8,155	24.6%	0.1%	0.0%	0.0%	0.0%
		3,526,802	11,211	3,049	3,905	8,155	24.6%	0.1%	0.0%	0.0%	0.0%
<i>Occupancy Costs</i>											
Lease Expense		1,740,752	1,672,281	1,284,085	2,488,895	2,571,635	12.1%	9.5%	6.1%	11.9%	12.0%
Utilities		314,060	332,791	482,883	478,571	527,254	2.2%	1.9%	2.3%	2.3%	2.5%
Repairs & Maintenance		128,327	128,595	143,961	137,937	130,847	0.9%	0.7%	0.7%	0.7%	0.6%
		2,183,140	2,133,666	1,910,929	3,105,403	3,229,736	15.2%	12.2%	9.0%	14.8%	15.0%
<i>Drugs & Medical Supplies</i>											
Supplies		777,749	410,220	495,909	476,294	478,407	5.4%	2.3%	2.3%	2.3%	2.2%
		777,749	410,220	495,909	476,294	478,407	5.4%	2.3%	2.3%	2.3%	2.2%
<i>Other Medical Costs</i>											
Medical Fees		15,003,925	23,032,248	25,141,330	26,120,731	26,640,868	104.5%	131.4%	118.8%	124.5%	124.1%
		15,003,925	23,032,248	25,141,330	26,120,731	26,640,868	104.5%	131.4%	118.8%	124.5%	124.1%
<i>General & Administrative</i>											
Conifer Collection Fees		457,485	364,349	404,134	413,422	419,967	3.2%	2.1%	1.9%	2.0%	2.0%
Other Controllable Expenses		440,070	232,584	179,888	399,450	396,219	3.1%	1.3%	0.8%	1.9%	1.8%
Purchased Services		4,090,342	4,384,909	4,398,904	5,019,538	5,208,369	28.5%	25.0%	20.8%	23.9%	24.3%
Other Non-Medical Expenses		204,929	45,816	71,961	90,325	47,493	1.4%	0.3%	0.3%	0.4%	0.2%
Legal and Professional Fees		371,290	387,322	291,200	224,719	227,753	2.6%	2.2%	1.4%	1.1%	1.1%
Liability Insurance		107,024	192,347	188,063	508,392	533,862	0.7%	1.1%	0.9%	2.4%	2.5%
		5,671,140	5,607,328	5,534,150	6,655,846	6,833,663	39.5%	32.0%	26.1%	31.7%	31.8%
Total Operating Expenses		27,162,755	31,194,673	33,085,368	36,362,179	37,190,829	189.2%	177.9%	156.3%	173.3%	173.2%
EBITDA		(12,803,649)	(13,661,583)	(11,916,165)	(15,380,311)	(15,722,697)	(89.2%)	(77.9%)	(56.3%)	(73.3%)	(73.2%)
Depreciation & Amortization Expense		794,012	(137,641)	(614,125)	5,436	4,791	5.5%	(0.8%)	(2.9%)	0.0%	0.0%
Interest Expense		(24,326)	1,382	2,182	1,326	1,435	(0.2%)	0.0%	0.0%	0.0%	0.0%
Earnings Before Non-Operating Items		(\$13,573,336)	(\$13,525,324)	(\$11,304,223)	(\$15,387,073)	(\$15,728,923)	(94.5%)	(77.1%)	(53.4%)	(73.3%)	(73.3%)
Total Active Physicians						53.0					
Net Operating Loss per Physician						(\$296,655)					



Historical Financials & Operations | Statistics and Ratios

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023	% Growth				
							FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023
Utilization Statistics											
Admissions	19,832	19,964	16,621	16,648	16,893	17,090	0.7%	(16.7%)	0.2%	1.5%	1.2%
Average Length of Stay ("ALOS")	4.8	4.8	5.3	5.6	5.9	5.0	0.3%	11.5%	4.2%	6.0%	(14.9%)
Patient Days	94,686	95,591	88,733	92,607	99,626	85,760	1.0%	(7.2%)	4.4%	7.6%	(13.9%)
Outpatient Visits	163,688	164,638	128,856	144,073	132,858	132,241	0.6%	(21.7%)	11.8%	(7.8%)	(0.5%)
Observation Cases	3,017	4,144	5,205	5,639	4,132	3,850	37.4%	25.6%	8.3%	(26.7%)	(6.8%)
Outpatient Equivalency Factor	1.45	1.46	1.43	1.45	1.42	1.42	0.7%	(2.4%)	1.7%	(2.1%)	0.1%
Adjusted Admissions	28,803	29,207	23,742	24,192	24,043	24,352	1.4%	(18.7%)	1.9%	(0.6%)	1.3%
Adjusted Patient Days	137,517	139,849	126,750	134,574	141,793	122,204	1.7%	(9.4%)	6.2%	5.4%	(13.8%)
Census Data											
Staffed Beds	389	389	389	389	389	389	-	-	-	-	-
Average Daily Census ("ADC")	259	262	242	254	273	235	1.0%	(7.4%)	4.7%	7.6%	(13.9%)
Percent Occupancy	66.7%	67.3%	62.3%	65.2%	70.2%	60.4%	1.0%	(7.4%)	4.7%	7.6%	(13.9%)
Reimbursement Ratios											
Gross Inpatient Revenue per Admission	134,744	146,106	184,808	202,529	216,087	218,981	8.4%	26.5%	9.6%	6.7%	1.3%
Gross Inpatient Revenue per Patient Day	28,222	30,514	34,617	36,409	36,641	43,638	8.1%	13.4%	5.2%	0.6%	19.1%
Gross Outpatient Revenue per Outpatient Visit	7,385	8,203	10,213	10,606	11,629	12,026	11.1%	24.5%	3.8%	9.7%	3.4%
Gross Patient Revenue per Adjusted Patient Day	28,222	30,514	34,617	36,409	36,641	43,638	8.1%	13.4%	5.2%	0.6%	19.1%
Adjustments & Refunds as a % of Gross Patient Revenue	(87.0%)	(87.6%)	(88.3%)	(88.7%)	(89.4%)	(89.4%)	0.7%	0.9%	0.4%	0.8%	0.0%
Net Patient Revenue per Adjusted Patient Day	3,680	3,788	4,034	4,126	3,877	4,608	2.9%	6.5%	2.3%	(6.0%)	18.9%
Total Net Operating Revenue per Adjusted Patient Day	4,058	4,163	4,640	4,724	4,234	4,960	2.6%	11.5%	1.8%	(10.4%)	17.1%
Total Operating Expenses per Adjusted Patient Day	3,226	3,328	3,544	3,478	3,452	4,046	3.2%	6.5%	(1.9%)	(0.8%)	17.2%
Historical Staffing Ratios											
Employed FTEs	1,962	2,009	1,873	1,839	1,848	1,855	2.4%	(6.8%)	(1.8%)	0.5%	0.4%
Paid Hours per Adjusted Patient Day	29.7	29.9	30.7	28.4	27.1	31.6	0.7%	2.8%	(7.5%)	(4.6%)	16.4%
Paid FTEs per Adjusted Occupied Bed	5.2	5.2	5.4	5.0	4.8	5.5	0.7%	3.1%	(7.8%)	(4.6%)	16.4%
Average Hourly Rate	\$47.02	\$48.12	\$49.94	\$53.81	\$58.95	\$59.01	2.3%	3.8%	7.8%	9.5%	0.1%
Other Key Statistics											
Case Mix Index	1.58	1.61	1.80	1.85	1.79	1.80	1.5%	12.3%	2.5%	(3.4%)	0.6%
Emergency Room Visits	78,201	78,758	60,945	65,420	68,492	60,940	0.7%	(22.6%)	7.3%	4.7%	(11.0%)
Emergency Room Admits	14,608	15,280	13,830	13,744	14,274	12,434	4.6%	(9.5%)	(0.6%)	3.9%	(12.9%)
<i>Admits as a % of Total Visits</i>	18.7%	19.4%	22.7%	21.0%	20.8%	20.4%					
<i>ER Admits as a % of Total Admissions</i>	73.7%	76.5%	83.2%	82.6%	84.5%	72.8%					
Inpatient Surgeries	5,427	5,490	4,824	4,958	4,747	4,040	1.2%	(12.1%)	2.8%	(4.3%)	(14.9%)
Outpatient Surgeries	3,012	2,603	2,167	2,350	1,995	2,015	(13.6%)	(16.7%)	8.4%	(15.1%)	1.0%
Total Surgeries	8,439	8,093	6,991	7,308	6,742	6,055	(4.1%)	(13.6%)	4.5%	(7.7%)	(10.2%)
Deliveries	3,018	2,768	2,552	2,274	1,896	1,414	(8.3%)	(7.8%)	(10.9%)	(16.6%)	(25.4%)

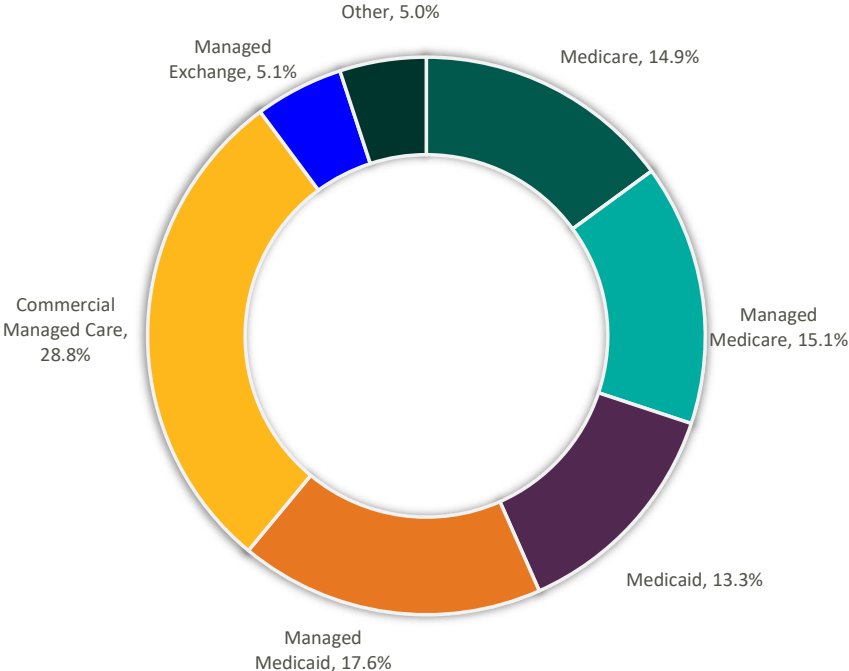


Net Inpatient Revenue by Payor

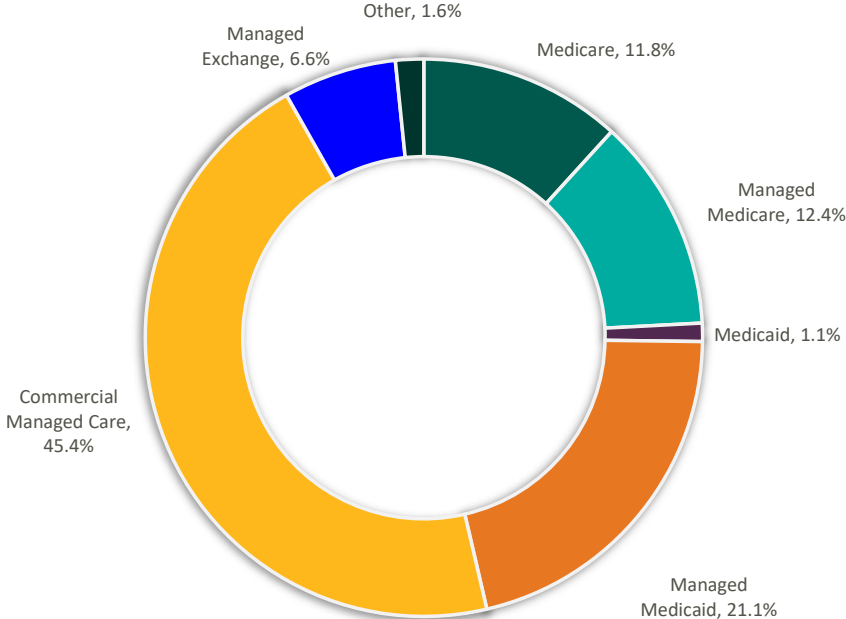
Net Outpatient Revenue by Payor

	FY 2020	FY 2021	FY 2022	TTM 2023	FY 2020	FY 2021	FY 2022	TTM 2023
1. Medicare	16.3%	15.7%	15.4%	14.9%	15.3%	13.9%	12.1%	11.8%
2. Managed Medicare	14.2%	15.7%	15.0%	15.1%	15.7%	13.2%	12.2%	12.4%
3. Medicaid	19.5%	18.1%	15.3%	13.3%	2.8%	2.0%	0.8%	1.1%
4. Managed Medicaid	11.9%	12.3%	17.6%	17.6%	17.5%	17.0%	21.0%	21.1%
5. Commercial Managed Care	28.0%	29.8%	27.8%	28.8%	42.1%	46.4%	46.2%	45.4%
6. Managed Exchange	5.5%	4.7%	4.9%	5.1%	6.0%	6.5%	6.2%	6.6%
7. Other	4.5%	3.7%	4.0%	5.0%	0.6%	0.9%	1.4%	1.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

NET INPATIENT REVENUE BY PAYOR: TTM 2023



NET OUTPATIENT REVENUE BY PAYOR: TTM 2023



Notes & Sources

(1) Sources: Management provided operating statistics for the time periods presented.





DESERT REGIONAL MEDICAL CENTER

INCOME APPROACH

Income Approach | Development of the Normalized Base Year

	Mgmt NBY Footnotes	Other Footnotes	TTM 2023	Management Adjustments	Other Adjustments	NBY	TTM 2023	NBY
Gross Revenues								
Gross Inpatient Revenue			\$3,742,388,690	-	-	3,742,388,690	617.4%	619.6%
Gross Outpatient Revenue			1,590,333,930	-	-	1,590,333,930	262.4%	263.3%
			5,332,722,620	-	-	5,332,722,620	879.8%	882.9%
Adjustments & Refunds								
Inpatient Contractual	1		(3,340,500,902)	(2,673,498)	-	(3,343,174,400)	(551.1%)	(553.5%)
Outpatient Contractual	1		(1,429,998,512)	(1,144,469)	-	(1,431,142,981)	(235.9%)	(236.9%)
Bad Debt Expense			939,404	-	-	939,404	0.2%	0.2%
			(4,769,560,010)	(3,817,967)	-	(4,773,377,977)	(786.9%)	(790.3%)
Net Patient Revenue			563,162,610	(3,817,967)	-	559,344,643	92.9%	92.6%
Other Operating Revenue								
Supplemental Payments	2		41,328,972	1,906,911	-	43,235,883	6.8%	7.2%
Other Operating Revenue			1,452,157	-	-	1,452,157	0.2%	0.2%
COVID-19 Grant Income	3		178,685	(178,685)	-	-	0.0%	-
			42,959,814	1,728,226	-	44,688,040	7.1%	7.4%
Total Net Operating Revenue			606,122,424	(2,089,741)	-	604,032,683	100.0%	100.0%
Operating Expenses								
<i>Employee Salaries & Wages</i>								
Salaries & Wages	4		201,493,008	(2,953,694)	-	198,539,314	33.2%	32.9%
Contract Labor			26,198,265	-	-	26,198,265	4.3%	4.3%
			227,691,273	(2,953,694)	-	224,737,579	37.6%	37.2%
<i>Employee Benefits</i>								
Payroll Taxes			14,792,450	-	-	14,792,450	2.4%	2.4%
Employee Benefits	5		45,865,291	12,730	-	45,878,021	7.6%	7.6%
			60,657,741	12,730	-	60,670,471	10.0%	10.0%
<i>Occupancy Costs</i>								
Lease Expense			1,813,373	-	-	1,813,373	0.3%	0.3%
Utilities			6,213,004	-	-	6,213,004	1.0%	1.0%
Property Taxes			1,496,545	-	-	1,496,545	0.2%	0.2%
			9,522,922	-	-	9,522,922	1.6%	1.6%
<i>Drugs & Medical Supplies</i>								
Medical Supplies	6		26,827,390	487,814	-	27,315,204	4.4%	4.5%
Implants			14,652,146	-	-	14,652,146	2.4%	2.4%
Drugs & Pharmaceuticals			27,846,259	-	-	27,846,259	4.6%	4.6%
Other Supplies			5,027,051	-	-	5,027,051	0.8%	0.8%
Personal Protective Equipment			1,287,743	-	-	1,287,743	0.2%	0.2%
			75,640,589	487,814	-	76,128,403	12.5%	12.6%



Income Approach | Development of the Normalized Base Year

	Mgmt NBY Footnotes	Other Footnotes	TTM 2023	Management Adjustments	Other Adjustments	NBY	TTM 2023	NBY
<i>Corporate Services</i>								
Conifer Collection Fees			14,936,121	-	-	14,936,121	2.5%	2.5%
Information Technology			12,380,122	-	-	12,380,122	2.0%	2.0%
Advertising			1,380,626	-	-	1,380,626	0.2%	0.2%
Global Business Center			940,199	-	-	940,199	0.2%	0.2%
			29,637,068	-	-	29,637,068	4.9%	4.9%
<i>Other Medical Costs</i>								
Medical Fees			40,541,707	-	-	40,541,707	6.7%	6.7%
Physician Income Assist			897,005	-	-	897,005	0.1%	0.1%
			41,438,712	-	-	41,438,712	6.8%	6.9%
<i>Insurance</i>								
Malpractice Insurance			9,490,514	-	-	9,490,514	1.6%	1.6%
Other Insurance			2,378,561	-	-	2,378,561	0.4%	0.4%
			11,869,075	-	-	11,869,075	2.0%	2.0%
<i>General & Administrative</i>								
Other Controllable Expenses			5,562,954	-	-	5,562,954	0.9%	0.9%
Repairs & Maintenance			10,718,845	-	-	10,718,845	1.8%	1.8%
Other Non-Medical Expenses			9,738,209	-	-	9,738,209	1.6%	1.6%
Service Contracts			8,329,454	-	-	8,329,454	1.4%	1.4%
Legal and Professional Fees			2,365,577	-	-	2,365,577	0.4%	0.4%
License Fees			1,007,071	-	-	1,007,071	0.2%	0.2%
Contributions			305,928	-	-	305,928	0.1%	0.1%
Corporate Overhead		<i>i</i>	-	-	10,000,000	10,000,000	-	1.7%
Physician Investment		<i>ii</i>	-	-	15,722,697	15,722,697	-	2.6%
			38,028,038	-	25,722,697	63,750,735	6.3%	10.6%
Total Operating Expenses			494,485,418	(2,453,150)	25,722,697	517,754,965	81.6%	85.7%
EBITDA			111,637,006	363,409	(25,722,697)	86,277,718	18.4%	14.3%
Depreciation & Amortization Expense			17,626,177	-	-	17,626,177	2.9%	2.9%
Interest Expense		<i>iii</i>	401,908	-	(401,908)	-	0.1%	-
Earnings Before Non-Operating Items			93,608,921	363,409	(25,320,789)	68,651,541	15.4%	11.4%
Non-Operating Expense (Income)		<i>iv</i>	177,243	-	(177,243)	-	0.0%	-
Earnings Before Income Taxes			93,431,678	363,409	(25,143,546)	68,651,541	15.4%	11.4%
Federal & State Income Tax Expense		<i>v</i>	-	-	19,211,173	19,211,173	-	3.2%
Earnings After Income Taxes			\$93,431,678	\$363,409	(\$44,354,719)	\$49,440,368	15.4%	8.2%

Notes & Sources

(1) The Normalized Base Year (the "NBY") is based on the TTM 2023 income statement. The NBY eliminates any unusual or non-recurring items from revenue and expenses. Please refer to the following page for details related to each adjustment depicted above.



Management Identified Normalized Base Year Adjustments

1. Net Patient Revenue Adjustments	Net Adjustment	
Government Programs (Out of Period)	1,915,275	True-ups for Prior Period Cost Reports and Medicaid Adjustments
Managed Care Pricing (One-Time)	(2,131,478)	Adjustments for One-Time Managed Care Pricing
Litigation Settlements (One-Time)	(3,601,764)	Adjustments for Litigation Related Settlements
Total Adjustment	(3,817,967)	This adjustment was allocated pro rata to inpatient and outpatient contractuals
2. Supplemental Payment Adjustment	Net Adjustment	
CA Provider Fee (Out of Period)	1,906,911	True-ups for Prior Period CA HQAF Funding
3. COVID-19 related grant revenue of \$178,685 was removed to only reflect recurring net operating revenues.		
4. Net Salaries & Wages Adjustment	Net Adjustment	
Staffing & Training (One-Time)	(2,953,694)	Adjustments for staffing and training expenses
5. Net Employee Benefits Adjustment	Net Adjustment	
SWB Allocation (One-Time)	12,730	Add-Back for Corporate GME and Benefits Allocation
6. Net Medical Supplies Adjustment	Net Adjustment	
Supplies (One-Time)	487,814	Adjustments for one-time supply rebates

Other Adjustments

- i. **Corporate Overhead Adjustment** We understand the financial statements provided by Tenet do not include allocation of certain corporate overhead and management-related costs which would typically be incurred at the local level if the hospital was not operating as part of a larger corporate organization. The NBY has been adjusted to reflect a \$10.0 million corporate overhead charge based on Management representations.
- ii. **Physician Practice Investment Adjustment** VMG understands that the Hospital financial statements historically have not included revenues and expenses associated with certain physician practice operations which contribute to the operations of the Hospital. These entities are captured under separate financial statements which were provided to VMG for the most recent TTM 2023 period. The NBY was adjusted to include the TTM 2023 investment of approximately \$15.7 million.

	2019	2020	2021	2022	TTM 2023
Net Operating Revenue	14,359,106	17,533,090	21,169,202	20,981,868	21,468,132
EBITDA	(12,803,649)	(13,661,583)	(11,916,165)	(15,380,311)	(15,722,697)
Total Adjustment					(15,722,697)

Please refer to the 'Medical Group Income Statement' schedule for additional income statement detail

- iii. Interest Expense has been eliminated to derive debt-free operations.
- iv. Non-Operating Expense (Income) has been eliminated to project only recurring patient-service revenues.
- v. A corporate income tax of 27.98% was utilized in the analysis, which we have calculated to be reflective of a blended federal and state rate of United States income earned in California. Discount rates used in the valuation are market-based and derived, in part, from publicly traded companies. These for-profit companies result in a market-based discount rate after-tax. Therefore, Normalized Base Year earnings of the subject entity are tax-affected using the tax rate in order to match the expected future cash flows with the cash flow stream being discounted.



Income Approach | Revenue Assumptions

	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	Projection Period					Key Assumptions
						Year 1	Year 2	Year 3	Year 4	Year 5	
Inpatient											
Volume											
Estimated Admissions per Year	16,621	16,648	16,893	17,090	17,090	17,175	17,261	17,348	17,434	17,522	
<i>Growth</i>	<i>n/a</i>	<i>0.2%</i>	<i>1.5%</i>	<i>1.2%</i>	<i>-</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.5%</i>	
Average Length of Stay ("ALOS")	5.3	5.6	5.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
Patient Days	88,733	92,607	99,626	85,760	85,760	86,189	86,620	87,053	87,488	87,926	
<i>Growth</i>	<i>n/a</i>	<i>4.4%</i>	<i>7.6%</i>	<i>(13.9%)</i>	<i>-</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.5%</i>	
Working Days in Year	365	365	365	365	365	365	365	365	365	365	
Average Daily Census ("ADC")	243.1	253.7	272.9	235.0	235.0	236.1	237.3	238.5	239.7	240.9	
Staffed Beds	389	389	389	389	389	389	389	389	389	389	
Percent Occupancy	62.5%	65.2%	70.2%	60.4%	60.4%	60.7%	61.0%	61.3%	61.6%	61.9%	
Weighted Payer Mix Analysis											
<i>Payor Mix - % of Revenue</i>						<i>Reimbursement Growth Rate</i>					
Medicare	30.6%	31.4%	30.4%	30.1%	30.1%	4.3%	2.5%	2.5%	2.5%	2.5%	
Medicaid	31.4%	30.5%	32.9%	30.9%	30.9%	1.0%	1.0%	1.0%	1.0%	1.0%	
Commercial	33.6%	34.4%	32.7%	34.0%	34.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Other	4.5%	3.7%	4.0%	5.0%	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Inpatient Reimbursement Growth Rate						2.7%	2.1%	2.1%	2.1%	2.1%	
Gross Charge per Admission	\$184,808	\$202,529	\$216,087	\$218,981	\$218,981	\$224,833	\$229,623	\$234,515	\$239,512	\$244,615	
Less: Estimated Discounts & Allowances	(162,881)	(178,601)	(192,934)	(195,426)	(195,586)	(200,813)	(205,091)	(209,461)	(213,923)	(218,481)	
<i>As a percentage of Gross Charges</i>	<i>(88.1%)</i>	<i>(88.2%)</i>	<i>(89.3%)</i>	<i>(89.2%)</i>	<i>(89.3%)</i>	<i>(89.3%)</i>	<i>(89.3%)</i>	<i>(89.3%)</i>	<i>(89.3%)</i>	<i>(89.3%)</i>	
Average Net Charge per Admission	\$21,926	\$23,928	\$23,153	\$23,555	\$23,395	\$24,020	\$24,532	\$25,055	\$25,588	\$26,134	
<i>Growth</i>	<i>n/a</i>	<i>9.1%</i>	<i>(3.2%)</i>	<i>1.7%</i>	<i>(0.7%)</i>	<i>2.7%</i>	<i>2.1%</i>	<i>2.1%</i>	<i>2.1%</i>	<i>2.1%</i>	
Inpatient Gross Charges	3,071,686,104	3,371,699,284	3,650,353,927	3,742,388,690	3,742,388,690	3,861,603,848	3,963,596,968	4,068,283,942	4,175,735,920	4,286,025,933	
Less: Estimated Inpatient Contractual Adjustments	(2,707,249,960)	(2,973,350,061)	(3,259,236,737)	(3,339,837,395)	(3,342,566,495)	(3,449,045,171)	(3,540,141,744)	(3,633,644,371)	(3,729,616,600)	(3,828,123,658)	
Inpatient Net FFS Revenue	364,436,144	398,349,223	391,117,190	402,551,295	399,822,195	412,558,677	423,455,223	434,639,571	446,119,321	457,902,275	
<i>Growth</i>	<i>n/a</i>	<i>9.3%</i>	<i>(1.8%)</i>	<i>2.9%</i>	<i>(0.7%)</i>	<i>3.2%</i>	<i>2.6%</i>	<i>2.6%</i>	<i>2.6%</i>	<i>2.6%</i>	



	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	Projection Period					Key Assumptions
						Year 1	Year 2	Year 3	Year 4	Year 5	
Outpatient											
Volume											
Estimated Outpatient Visits per Year	128,856	144,073	132,858	132,241	132,241	134,886	137,584	140,335	143,142	146,005	
Growth	n/a	11.8%	(7.8%)	(0.5%)	-	2.0%	2.0%	2.0%	2.0%	2.0%	
Weighted Payor Mix Analysis											
<i>Payor Mix - % of Revenue</i>											
	<i>% of Outpatient Net Collections</i>					<i>Reimbursement Growth Rate</i>					
Medicare	31.0%	27.1%	24.3%	24.2%	24.2%	4.3%	2.5%	2.5%	2.5%	2.5%	
Medicaid	20.3%	19.0%	21.8%	22.2%	22.2%	1.0%	1.0%	1.0%	1.0%	1.0%	
Commercial	48.1%	52.9%	52.4%	52.0%	52.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Other	0.6%	0.9%	1.4%	1.6%	1.6%	1.0%	1.0%	1.0%	1.0%	1.0%	
Outpatient Reimbursement Growth Rate						2.8%	2.4%	2.4%	2.4%	2.4%	
Gross Charge per Outpatient Visit	\$10,213	\$10,606	\$11,629	\$12,026	\$12,026	\$12,367	\$12,664	\$12,969	\$13,280	\$13,599	
Less: Estimated Discounts & Allowances	(9,073)	(9,516)	(10,435)	(10,811)	(10,820)	(11,127)	(11,394)	(11,668)	(11,948)	(12,235)	
As a percentage of Gross Charges	(88.8%)	(89.7%)	(89.7%)	(89.9%)	(90.0%)	(90.0%)	(90.0%)	(90.0%)	(90.0%)	(90.0%)	
Average Net Charge per Outpatient Visit	\$1,140	\$1,089	\$1,194	\$1,215	\$1,206	\$1,241	\$1,270	\$1,301	\$1,332	\$1,364	
Growth	n/a	(4.5%)	9.6%	1.7%	(0.7%)	2.8%	2.4%	2.4%	2.4%	2.4%	
Outpatient Gross Charges	1,316,041,414	1,527,969,132	1,545,028,467	1,590,333,930	1,590,333,930	1,668,169,680	1,742,412,373	1,819,959,272	1,900,957,434	1,985,560,458	
Less: Estimated Outpatient Contractual Adjustments	(1,169,140,338)	(1,371,051,304)	(1,386,395,496)	(1,429,722,615)	(1,430,811,482)	(1,500,839,720)	(1,567,635,313)	(1,637,403,676)	(1,710,277,113)	(1,786,393,818)	
Outpatient Net FFS Revenue	146,901,076	156,917,828	158,632,971	160,611,315	159,522,448	167,329,959	174,777,059	182,555,596	190,680,321	199,166,640	
Growth	n/a	6.8%	1.1%	1.2%	(0.7%)	4.9%	4.5%	4.5%	4.5%	4.5%	
Other Operating Revenue											
Supplemental Payments	56,957,233	56,958,591	48,928,816	41,328,972	43,235,883	43,668,242	44,104,924	44,545,973	44,991,433	45,441,348	
Growth	n/a	0.0%	(14.1%)	(15.5%)	4.6%	1.0%	1.0%	1.0%	1.0%	1.0%	Increase 1.0% Annually
Other Operating Revenue	973,230	1,305,478	1,475,897	1,452,157	1,452,157	1,495,722	1,540,593	1,586,811	1,634,415	1,683,448	
Growth	n/a	34.1%	13.1%	(1.6%)	-	3.0%	3.0%	3.0%	3.0%	3.0%	Increase with Inflation
COVID-19 Grant Income	18,898,587	22,246,637	178,685	178,685	-	-	-	-	-	-	
Growth	n/a	17.7%	(99.2%)	-	(100.0%)	-	-	-	-	-	n/a
Total Other Operating Revenue	76,829,050	80,510,706	50,583,398	42,959,814	44,688,040	45,163,964	45,645,518	46,132,785	46,625,849	47,124,796	
Growth	n/a	4.8%	(37.2%)	(15.1%)	4.0%	1.1%	1.1%	1.1%	1.1%	1.1%	



	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	Projection Period					Key Assumptions
						Year 1	Year 2	Year 3	Year 4	Year 5	
Total Net Operating Revenue											
Gross Revenues											
Gross Inpatient Revenue	3,071,686,104	3,371,699,284	3,650,353,927	3,742,388,690	3,742,388,690	3,861,603,848	3,963,596,968	4,068,283,942	4,175,735,920	4,286,025,933	
Gross Outpatient Revenue	1,316,041,414	1,527,969,132	1,545,028,467	1,590,333,930	1,590,333,930	1,668,169,680	1,742,412,373	1,819,959,272	1,900,957,434	1,985,560,458	
	4,387,727,518	4,899,668,416	5,195,382,394	5,332,722,620	5,332,722,620	5,529,773,527	5,706,009,341	5,888,243,214	6,076,693,355	6,271,586,391	
Adjustments & Refunds											
	<i>% of Total</i>										
Inpatient Contractual	70.0%	(2,708,251,965)	(2,976,859,150)	(3,260,091,376)	(3,340,500,902)	(3,343,174,400)	(3,466,796,163)	(3,577,380,544)	(3,691,732,140)	(3,809,988,123)	(3,932,290,966)
Outpatient Contractual	30.0%	(1,169,544,237)	(1,372,433,605)	(1,386,742,129)	(1,429,998,512)	(1,431,142,981)	(1,484,062,869)	(1,531,401,728)	(1,580,353,253)	(1,630,976,164)	(1,683,331,451)
Bad Debt Expense	(0.0%)	1,405,904	4,891,390	1,201,272	939,404	939,404	974,141	1,005,214	1,037,346	1,070,575	1,104,941
		(3,876,390,298)	(4,344,401,365)	(4,645,632,233)	(4,769,560,010)	(4,773,377,977)	(4,949,884,891)	(5,107,777,058)	(5,271,048,047)	(5,439,893,713)	(5,614,517,475)
Net Patient Revenue	511,337,220	555,267,051	549,750,161	563,162,610	559,344,643	579,888,636	598,232,283	617,195,167	636,799,642	657,068,915	
Growth	n/a	8.6%	(1.0%)	2.4%	(0.7%)	3.7%	3.2%	3.2%	3.2%	3.2%	
Other Operating Revenue											
Supplemental Payments	56,957,233	56,958,591	48,928,816	41,328,972	43,235,883	43,668,242	44,104,924	44,545,973	44,991,433	45,441,348	
Other Operating Revenue	973,230	1,305,478	1,475,897	1,452,157	1,452,157	1,495,722	1,540,593	1,586,811	1,634,415	1,683,448	
COVID-19 Grant Income	18,898,587	22,246,637	178,685	178,685	-	-	-	-	-	-	
	76,829,050	80,510,706	50,583,398	42,959,814	44,688,040	45,163,964	45,645,518	46,132,785	46,625,849	47,124,796	
Total Net Operating Revenue	588,166,270	635,777,757	600,333,559	606,122,424	604,032,683	625,052,599	643,877,800	663,327,952	683,425,490	704,193,711	
Growth	n/a	8.1%	(5.6%)	1.0%	(0.3%)	3.5%	3.0%	3.0%	3.0%	3.0%	
Key Statistics											
Outpatient Equivalency Factor	1.43	1.45	1.42	1.42	1.42	1.43	1.44	1.45	1.46	1.46	
Adjusted Admissions	23,742	24,192	24,043	24,352	24,352	24,595	24,849	25,108	25,371	25,639	
Growth	n/a	1.9%	(0.6%)	1.3%	-	1.0%	1.0%	1.0%	1.0%	1.1%	
Adjusted Patient Days	126,750	134,574	141,793	122,204	122,204	123,421	124,698	125,996	127,316	128,658	
Growth	n/a	6.2%	5.4%	(13.8%)	-	1.0%	1.0%	1.0%	1.0%	1.1%	



	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	Projection Period					Key Assumptions	
						Year 1	Year 2	Year 3	Year 4	Year 5		
Employee Salaries & Wages												
Registered Nurse Staff												
Hours per Adjusted Patient Day				11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	
Full-Time Equivalents				647.4	647.4	653.9	660.6	667.5	674.5	681.6		
Growth				n/a	-	1.0%	1.0%	1.0%	1.0%	1.1%		Increase with Adjusted Patient Days
Average Salary per Full-Time Equivalent				\$132,218	\$130,280	\$134,188	\$138,214	\$142,360	\$146,631	\$151,030		
Growth				n/a	(1.5%)	3.0%	3.0%	3.0%	3.0%	3.0%		3.0% Annual Growth
				\$85,600,178	\$84,345,361	\$87,741,290	\$91,308,386	\$95,026,655	\$98,902,790	\$102,943,789		
Food Service, Housekeeping and Security Staff												
Hours per Adjusted Patient Day				5.3	5.3	5.2	5.2	5.1	5.1	5.0		
Full-Time Equivalents				310.1	310.1	310.1	310.1	310.1	310.1	310.1		
Growth				n/a	-	-	-	-	-	-		Projected to Remain Flat
Average Salary per Full-Time Equivalent				\$32,203	\$31,731	\$32,842	\$33,991	\$35,011	\$36,061	\$37,143		
Growth				n/a	(1.5%)	3.5%	3.5%	3.0%	3.0%	3.0%		Years 1-2 per Mgmt; then 3.0% Growth
				\$9,985,650	\$9,839,270	\$10,183,645	\$10,540,072	\$10,856,275	\$11,181,963	\$11,517,422		
Other Hospital Staff												
Hours per Adjusted Patient Day				8.9	8.9	8.9	8.9	8.9	8.9	8.9		
Full-Time Equivalents				524.4	524.4	529.6	535.1	540.7	546.3	552.1		
Growth				n/a	-	1.0%	1.0%	1.0%	1.0%	1.1%		Increase with Adjusted Patient Days
Average Salary per Full-Time Equivalent				\$77,016	\$75,887	\$78,543	\$81,292	\$83,731	\$86,243	\$88,830		
Growth				n/a	(1.5%)	3.5%	3.5%	3.0%	3.0%	3.0%		Years 1-2 per Mgmt; then 3.0% Growth
				\$40,387,602	\$39,795,558	\$41,598,774	\$43,500,106	\$45,271,522	\$47,118,146	\$49,043,312		
Other Staff												
Hours per Adjusted Patient Day				6	6	6	6	6	6	6		
Full-Time Equivalents				373.1	373.1	373.1	373.1	373.1	373.1	373.1		
Growth				n/a	-	-	-	-	-	-		Projected to Remain Flat
Average Salary per Full-Time Equivalent				\$175,631	\$173,056	\$178,248	\$183,596	\$189,103	\$194,777	\$200,620		
Growth				n/a	(1.5%)	3.0%	3.0%	3.0%	3.0%	3.0%		3.0% Annual Growth
				\$65,519,578	\$64,559,124	\$66,495,898	\$68,490,775	\$70,545,498	\$72,661,863	\$74,841,719		
Employee Salaries & Wages Summary												
Full-Time Equivalent Hours per Adjusted Patient Day				31.6	31.6	31.5	31.3	31.2	31.1	31.0		
Full-Time Equivalent Employees				1,855.0	1,855.0	1,866.6	1,878.9	1,891.3	1,904.0	1,916.9		
Average Salary per Full-Time Equivalent				\$108,624	\$107,032	\$110,370	\$113,812	\$117,219	\$120,729	\$124,343		
Growth				n/a	(1.5%)	3.1%	3.1%	3.0%	3.0%	3.0%		
Total Salaries & Wages	\$186,566,525	\$188,993,751	\$199,124,822	\$201,493,008	\$198,539,314	\$206,019,607	\$213,839,339	\$221,699,950	\$229,864,762	\$238,346,242		
Growth	n/a	1.3%	5.4%	1.2%	(1.5%)	3.8%	3.8%	3.7%	3.7%	3.7%		
Employee Benefits												
Payroll Taxes	\$13,635,148	\$14,476,440	\$14,685,225	\$14,792,450	\$14,792,450	\$15,349,780	\$15,932,400	\$16,518,066	\$17,126,396	\$17,758,321		Remains at 7.5% of Salaries & Wages
As a Percentage of Salaries & Wages	7.3%	7.7%	7.4%	7.3%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%		
Employee Benefits	\$43,873,698	\$45,761,240	\$45,369,432	\$45,865,291	\$45,878,021	\$47,606,550	\$49,413,516	\$51,229,929	\$53,116,635	\$55,076,517		Remains at 23.1% of Salaries & Wages
As a Percentage of Salaries & Wages	23.5%	24.2%	22.8%	22.8%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%		
Total Employee Benefits	\$57,508,846	\$60,237,680	\$60,054,657	\$60,657,741	\$60,670,471	\$62,956,330	\$65,345,916	\$67,747,995	\$70,243,032	\$72,834,838		
Growth	n/a	4.7%	(0.3%)	1.0%	0.0%	3.8%	3.8%	3.7%	3.7%	3.7%		
As a Percentage of Salaries & Wages	30.8%	31.9%	30.2%	30.1%	30.6%	30.6%	30.6%	30.6%	30.6%	30.6%		



DESERT REGIONAL MEDICAL CENTER
Income Approach | Operating Expense Assumptions

	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	Projection Period					Key Assumptions
						Year 1	Year 2	Year 3	Year 4	Year 5	
Drugs & Medical Supplies											
<i>Medical Supplies</i>											
Total Adjusted Patient Days	126,750	134,574	141,793	122,204	122,204	123,421	124,698	125,996	127,316	128,658	
Medical Supplies per Adjusted Patient Day	\$215.34	\$211.50	\$185.15	\$219.53	\$223.52	\$230.23	\$237.13	\$244.25	\$251.58	\$259.12	Increase with Inflation
Growth	n/a	(1.8%)	(12.5%)	18.6%	1.8%	3.0%	3.0%	3.0%	3.0%	3.0%	
Total Medical Supplies	\$27,294,001	\$28,462,231	\$26,252,616	\$26,827,390	\$27,315,204	\$28,414,974	\$29,570,176	\$30,774,336	\$32,029,620	\$33,338,296	
<i>Implants</i>											
Total Adjusted Patient Days	126,750	134,574	141,793	122,204	122,204	123,421	124,698	125,996	127,316	128,658	
Implants per Adjusted Patient Day	\$118.24	\$109.68	\$102.82	\$119.90	\$119.90	\$123.50	\$127.20	\$131.02	\$134.95	\$139.00	Increase with Inflation
Growth	n/a	(7.2%)	(6.3%)	16.6%	-	3.0%	3.0%	3.0%	3.0%	3.0%	
Total Implants	\$14,987,467	\$14,760,733	\$14,578,506	\$14,652,146	\$14,652,146	\$15,242,073	\$15,861,735	\$16,507,659	\$17,181,005	\$17,882,992	
<i>Drugs & Pharmaceuticals</i>											
Total Adjusted Patient Days	126,750	134,574	141,793	122,204	122,204	123,421	124,698	125,996	127,316	128,658	
Drugs & Pharmaceuticals per Adjusted Patient Day	\$243.42	\$225.01	\$195.40	\$227.87	\$227.87	\$236.98	\$246.46	\$256.32	\$266.57	\$277.24	Increase 4.0% Annually
Growth	n/a	(7.6%)	(13.2%)	16.6%	-	4.0%	4.0%	4.0%	4.0%	4.0%	
Total Drugs & Pharmaceuticals	\$30,853,755	\$30,280,637	\$27,707,021	\$27,846,259	\$27,846,259	\$29,248,647	\$30,733,254	\$32,295,309	\$33,938,970	\$35,668,626	
<i>Other Supplies</i>											
Total Adjusted Patient Days	126,750	134,574	141,793	122,204	122,204	123,421	124,698	125,996	127,316	128,658	
Other Supplies per Adjusted Patient Day	\$39.41	\$36.41	\$34.77	\$41.14	\$41.14	\$41.96	\$42.80	\$43.65	\$44.53	\$45.42	Increase at 2.0% Annually
Growth	n/a	(7.6%)	(4.5%)	18.3%	-	2.0%	2.0%	2.0%	2.0%	2.0%	
Total Other Supplies	\$4,995,573	\$4,899,953	\$4,930,075	\$5,027,051	\$5,027,051	\$5,178,680	\$5,336,895	\$5,500,300	\$5,669,078	\$5,843,418	
<i>Personal Protective Equipment</i>											
Total Adjusted Patient Days	126,750	134,574	141,793	122,204	122,204	123,421	124,698	125,996	127,316	128,658	
Personal Protective Equipment per Adjusted Patient Day	\$9.51	\$15.36	\$9.46	\$10.54	\$10.54	\$10.85	\$11.18	\$11.51	\$11.86	\$12.22	Increase with Inflation
Growth	n/a	61.5%	(38.4%)	11.4%	-	3.0%	3.0%	3.0%	3.0%	3.0%	
Total Personal Protective Equipment	\$1,205,327	\$2,066,789	\$1,340,990	\$1,287,743	\$1,287,743	\$1,339,590	\$1,394,051	\$1,450,820	\$1,509,999	\$1,571,695	
Total Drugs & Medical Supplies	\$79,336,123	\$80,470,343	\$74,809,208	\$75,640,589	\$76,128,403	\$79,423,964	\$82,896,111	\$86,528,423	\$90,328,672	\$94,305,026	
Growth	n/a	1.4%	(7.0%)	1.1%	0.6%	4.3%	4.4%	4.4%	4.4%	4.4%	



DESERT REGIONAL MEDICAL CENTER

Income Approach | Operating Expense Assumptions

	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	Projection Period					Key Assumptions
						Year 1	Year 2	Year 3	Year 4	Year 5	
Operating Expenses											
<i>Employee Salaries & Wages</i>											
Salaries & Wages	\$186,566,525	\$188,993,751	\$199,124,822	\$201,493,008	\$198,539,314	\$206,019,607	\$213,839,339	\$221,699,950	\$229,864,762	\$238,346,242	See Salary & Wage Assumptions
Contract Labor	7,956,410	16,877,989	27,513,447	26,198,265	26,198,265	26,198,265	24,198,265	21,698,265	19,198,265	16,698,265	Remain Flat in Year 1 then Begin to Trend Down
<i>Employee Benefits</i>											
Payroll Taxes	13,635,148	14,476,440	14,685,225	14,792,450	14,792,450	15,349,780	15,932,400	16,518,066	17,126,396	17,758,321	See Benefit Assumptions
Employee Benefits	43,873,698	45,761,240	45,369,432	45,865,291	45,878,021	47,606,550	49,413,516	51,229,929	53,116,635	55,076,517	See Benefit Assumptions
<i>Occupancy Costs</i>											
Lease Expense	2,445,181	2,298,969	1,805,746	1,813,373	1,813,373	1,867,774	1,923,807	1,981,522	2,040,967	2,102,196	See Occupancy Cost Assumptions
Utilities	4,255,256	5,672,426	5,870,080	6,213,004	6,213,004	6,399,394	6,591,376	6,789,117	6,992,791	7,202,574	See Occupancy Cost Assumptions
Property Taxes	1,385,065	1,407,026	1,464,862	1,496,545	1,496,545	1,541,441	1,587,685	1,635,315	1,684,375	1,734,906	See Occupancy Cost Assumptions
<i>Drugs & Medical Supplies</i>											
Medical Supplies	27,294,001	28,462,231	26,252,616	26,827,390	27,315,204	28,414,974	29,570,176	30,774,336	32,029,620	33,338,296	See Medical Supplies Assumptions
Implants	14,987,467	14,760,733	14,578,506	14,652,146	14,652,146	15,242,073	15,861,735	16,507,659	17,181,005	17,882,992	See Medical Supplies Assumptions
Drugs & Pharmaceuticals	30,853,755	30,280,637	27,707,021	27,846,259	27,846,259	29,248,647	30,733,254	32,295,309	33,938,970	35,668,626	See Medical Supplies Assumptions
Other Supplies	4,995,573	4,899,953	4,930,075	5,027,051	5,027,051	5,178,680	5,336,895	5,500,300	5,669,078	5,843,418	See Medical Supplies Assumptions
Personal Protective Equipment	1,205,327	2,066,789	1,340,990	1,287,743	1,287,743	1,339,590	1,394,051	1,450,820	1,509,999	1,571,695	See Medical Supplies Assumptions
<i>Corporate Services</i>											
Conifer Collection Fees	14,032,872	14,643,113	14,607,978	14,936,121	14,936,121	15,484,705	15,974,534	16,480,897	17,004,394	17,545,642	Percentage of Net Patient Revenue
Information Technology	16,589,987	16,332,151	11,919,612	12,380,122	12,380,122	12,810,942	13,196,779	13,595,425	14,007,340	14,433,001	Percentage of Net Operating Revenue
Advertising	1,373,303	1,375,676	1,380,627	1,380,626	1,380,626	1,428,671	1,471,699	1,516,156	1,562,093	1,609,562	Percentage of Net Operating Revenue
Global Business Center	324,338	884,219	968,805	940,199	940,199	972,917	1,002,219	1,032,494	1,063,777	1,096,103	Percentage of Net Operating Revenue
<i>Other Medical Costs</i>											
Medical Fees	34,645,437	34,071,377	39,031,571	40,541,707	40,541,707	48,441,707	49,900,664	51,408,055	52,965,618	54,575,160	Year 1 per Mgmt; then Percentage of Revenue
Physician Income Assist	1,012,918	1,118,096	912,295	897,005	897,005	928,220	956,176	985,060	1,014,905	1,045,747	Percentage of Net Operating Revenue
<i>Insurance</i>											
Malpractice Insurance	6,311,593	7,676,561	9,603,087	9,490,514	9,490,514	9,775,229	10,068,486	10,370,541	10,681,657	11,002,107	Increase with Inflation
Other Insurance	1,532,402	1,826,054	2,312,962	2,378,561	2,378,561	2,449,918	2,523,415	2,599,118	2,677,091	2,757,404	Increase with Inflation
<i>General & Administrative</i>											
Other Controllable Expenses	5,833,020	4,946,634	5,785,508	5,562,954	5,562,954	5,729,843	5,901,738	6,078,790	6,261,154	6,448,988	Increase with Inflation
Repairs & Maintenance	8,511,120	8,631,861	10,338,721	10,718,845	10,718,845	11,040,410	11,371,623	11,712,771	12,064,154	12,426,079	Increase with Inflation
Other Non-Medical Expenses	7,484,956	7,379,755	9,922,529	9,738,209	9,738,209	10,030,355	10,331,266	10,641,204	10,960,440	11,289,253	Increase with Inflation
Service Contracts	7,784,704	8,213,014	8,244,762	8,329,454	8,329,454	8,579,338	8,836,718	9,101,819	9,374,874	9,656,120	Increase with Inflation
Legal and Professional Fees	2,731,356	3,046,120	2,522,992	2,365,577	2,365,577	2,436,544	2,509,641	2,584,930	2,662,478	2,742,352	Increase with Inflation
License Fees	926,998	977,427	996,664	1,007,071	1,007,071	1,037,283	1,068,402	1,100,454	1,133,467	1,167,471	Increase with Inflation
Contributions	655,661	1,008,082	217,501	305,928	305,928	315,106	324,559	334,296	344,325	354,654	Increase with Inflation
Corporate Overhead					10,000,000	10,300,000	10,609,000	10,927,270	11,255,088	11,592,741	Increase with Inflation
Physician Investment					15,722,697	16,194,378	16,680,209	17,180,616	17,696,034	18,226,915	Increase with Inflation
Total Operating Expenses	\$449,204,071	\$468,088,324	\$489,408,436	\$494,485,418	\$517,754,965	\$542,362,342	\$559,109,627	\$575,730,482	\$593,081,752	\$611,193,347	
<i>Growth</i>	<i>n/a</i>	<i>4.2%</i>	<i>4.6%</i>	<i>1.0%</i>	<i>4.7%</i>	<i>4.8%</i>	<i>3.1%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.1%</i>	
Total Operating Expenses per Adjusted Patient Day	\$3,544	\$3,478	\$3,452	\$4,046	\$4,237	\$4,394	\$4,484	\$4,569	\$4,658	\$4,751	
<i>Growth</i>	<i>n/a</i>	<i>(1.9%)</i>	<i>(0.8%)</i>	<i>17.2%</i>	<i>4.7%</i>	<i>3.7%</i>	<i>2.0%</i>	<i>1.9%</i>	<i>1.9%</i>	<i>2.0%</i>	



Income Approach | Discounted Cash Flow Assumptions

Discounted Cash Flow Analysis Assumptions

▪ Discount Rate	12.0%
▪ Normalized Net Working Capital	\$90,600,000
▪ Normalized Net Working Capital as a Percentage of Total Net Operating Revenue	15.0%
▪ Selected Incremental Net Working Capital Requirements as a Percentage of Total Net Operating Revenue	15.0%
▪ Inflation Rate	3.0%
▪ Terminal Growth Rate	3.0%
▪ Tax Rate	28.0%

Depreciation Assumptions

▪ Net Initial Depreciable Basis of Furniture, Fixtures, Equipment & Leasehold Improvements	\$52,632,525
▪ Estimated Useful Life of Initial Furniture, Fixtures, Equipment & Leasehold Improvements	10.0
▪ Net Initial Depreciable Basis of Real Estate	\$14,127,392
▪ Estimated Useful Life of Initial Real Estate	20.0
▪ Estimated Useful Life of Projected Furniture, Fixtures, Equipment & Leasehold Improvement Expenditures	10.0

Projected Capital Expenditures & Depreciation Expense ⁽¹⁾	Year 1	Year 2	Year 3	Year 4	Year 5	Terminal Year
Total Net Operating Revenues	\$625,052,599	\$643,877,800	\$663,327,952	\$683,425,490	\$704,193,711	\$725,319,522
EBITDA	82,690,257	84,768,173	87,597,470	90,343,739	93,000,364	95,790,375
Capital Expenditures & Improvements						
Furniture, Fixtures, Equipment & Leasehold Improvements	\$15,626,000	\$16,097,000	\$16,583,000	\$17,086,000	\$17,605,000	\$18,133,000
Total Capital Expenditures	\$15,626,000	\$16,097,000	\$16,583,000	\$17,086,000	\$17,605,000	\$18,133,000
As a Percentage of Total Net Operating Revenue	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
As a Percentage of EBITDA	18.9%	19.0%	18.9%	18.9%	18.9%	18.9%
Depreciation Schedule						
Depreciation of Initial Net Fixed Assets	\$53,338,895	\$706,370	\$706,370	\$706,370	\$706,370	
Calculated Depreciation of Capital Expenditures	11,789,091	9,495,824	7,356,932	5,390,425	4,578,927	
Total Depreciation	\$65,127,986	\$10,202,193	\$8,063,302	\$6,096,795	\$5,285,297	\$18,133,000

Notes & Sources

(1) Projected Depreciation & Amortization expense was based on the Tax Cut and Jobs Act signed into law on December 22, 2017. Depreciation was modeled assuming a hypothetical control transaction using an asset deal structure. A hypothetical buyers is assumed to take full advantage of this new law and, therefore, depreciation expense in Year One includes the full expensing of acquired net fixed assets plus the full expensing of any capital expenditures. Depreciation in Year 2 through Year 5 assumes full expensing for all assets with tax lives of 15.0 years or less, including qualified leasehold improvements. Please note, this bonus depreciation is subject to phase-out in the future.



Income Approach | Cash Flow Projections

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	Projection Period					
								Year 1	Year 2	Year 3	Year 4	Year 5	Terminal Year
Revenues													
Gross Revenues	3,881,046,187	4,267,357,000	4,387,727,518	4,899,668,416	5,195,382,394	5,332,722,620	5,332,722,620	5,529,773,527	5,706,009,341	5,888,243,214	6,076,693,355	6,271,586,391	
Adjustments & Refunds	(3,375,029,504)	(3,737,629,736)	(3,876,390,298)	(4,344,401,365)	(4,645,632,233)	(4,769,560,010)	(4,773,377,977)	(4,949,884,891)	(5,107,777,058)	(5,271,048,047)	(5,439,893,713)	(5,614,517,475)	
Other Operating Revenue	52,059,311	52,525,113	76,829,050	80,510,706	50,583,398	42,959,814	44,688,040	45,163,964	45,645,518	46,132,785	46,625,849	47,124,796	
Total Net Operating Revenue	558,075,994	582,252,377	588,166,270	635,777,757	600,333,559	606,122,424	604,032,683	625,052,599	643,877,800	663,327,952	683,425,490	704,193,711	725,319,522
<i>Growth</i>	<i>n/a</i>	<i>4.3%</i>	<i>1.0%</i>	<i>8.1%</i>	<i>(5.6%)</i>	<i>1.0%</i>	<i>(0.3%)</i>	<i>3.5%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>
Operating Expenses													
Employee Salaries & Wages	191,916,960	201,111,868	194,522,935	205,871,740	226,638,269	227,691,273	224,737,579	232,217,872	238,037,604	243,398,215	249,063,027	255,044,507	
Employee Benefits	54,625,869	57,695,576	57,508,846	60,237,680	60,054,657	60,657,741	60,670,471	62,956,330	65,345,916	67,747,995	70,243,032	72,834,838	
Occupancy Costs	8,609,651	8,127,969	8,085,502	9,378,421	9,140,688	9,522,922	9,522,922	9,808,610	10,102,868	10,405,954	10,718,133	11,039,677	
Drugs & Medical Supplies	80,442,857	81,903,624	79,336,123	80,470,343	74,809,208	75,640,589	76,128,403	79,423,964	82,896,111	86,528,423	90,328,672	94,305,026	
Corporate Services	30,208,006	33,305,424	32,320,500	33,235,159	28,877,022	29,637,068	29,637,068	30,697,235	31,645,231	32,624,973	33,637,603	34,684,308	
Other Medical Costs	36,454,937	37,704,053	35,658,355	35,189,473	39,943,866	41,438,712	41,438,712	49,369,927	50,856,840	52,393,115	53,980,524	55,620,907	
Insurance	7,304,315	9,517,127	7,843,995	9,502,615	11,916,049	11,869,075	11,869,075	12,225,147	12,591,902	12,969,659	13,358,748	13,759,511	
General & Administrative	34,120,191	36,057,496	33,927,815	34,202,893	38,028,677	38,028,038	63,750,735	65,663,257	67,633,155	69,662,149	71,752,014	73,904,574	
Total Operating Expenses	443,682,786	465,423,137	449,204,071	468,088,324	489,408,436	494,485,418	517,754,965	542,362,342	559,109,627	575,730,482	593,081,752	611,193,347	
<i>Growth</i>	<i>n/a</i>	<i>4.9%</i>	<i>(3.5%)</i>	<i>4.2%</i>	<i>4.6%</i>	<i>1.0%</i>	<i>4.7%</i>	<i>4.8%</i>	<i>3.1%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.1%</i>	
Reported Historical EBITDA	114,393,208	116,829,240	138,962,199	167,689,433	110,925,123	111,637,006							
Less: COVID-19 Grant Income	-	-	(18,898,587)	(22,246,637)	(178,685)	(178,685)							
Less: Physician Investment	(6,857,648)	(12,803,649)	(13,661,583)	(11,916,165)	(15,380,311)	(15,722,697)							
Less: Corporate Overhead	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)							
EBITDA	97,535,560	94,025,591	96,402,029	123,526,631	85,366,127	85,735,624	86,277,718	82,690,257	84,768,173	87,597,470	90,343,739	93,000,364	95,790,375
<i>Growth</i>	<i>n/a</i>	<i>(3.6%)</i>	<i>2.5%</i>	<i>28.1%</i>	<i>(30.9%)</i>	<i>0.4%</i>	<i>0.6%</i>	<i>(4.2%)</i>	<i>2.5%</i>	<i>3.3%</i>	<i>3.1%</i>	<i>2.9%</i>	<i>3.0%</i>
Depreciation & Amortization Expense	15,427,239	16,412,508	16,571,163	16,965,423	17,487,388	17,626,177	17,626,177	65,127,986	10,202,193	8,063,302	6,096,795	5,285,297	18,133,000
Interest Expense	478,698	408,966	256,456	241,975	364,313	401,908	-	-	-	-	-	-	-
Earnings Before Non-Operating Items	81,629,623	77,204,117	79,574,410	106,319,233	67,514,426	67,707,539	68,651,541	17,562,271	74,565,980	79,534,168	84,246,944	87,715,067	77,657,375
Non-Operating Expense (Income)	10,446	241,153	167,208	286,297	174,064	177,243	-	-	-	-	-	-	-
Earnings Before Income Taxes	81,619,177	76,962,964	79,407,202	106,032,936	67,340,362	67,530,296	68,651,541	17,562,271	74,565,980	79,534,168	84,246,944	87,715,067	77,657,375
Federal & State Income Tax Expense	-	-	-	-	-	-	19,211,173	4,914,556	20,866,246	22,256,524	23,575,328	24,545,834	21,731,329
Earnings After Income Taxes	\$81,619,177	\$76,962,964	\$79,407,202	\$106,032,936	\$67,340,362	\$67,530,296	\$49,440,368	\$12,647,715	\$53,699,735	\$57,277,645	\$60,671,616	\$63,169,234	\$55,926,045



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TTM 2023	NBY	Projection Period					
								Year 1	Year 2	Year 3	Year 4	Year 5	Terminal Year
Revenues													
Gross Revenues	695.4%	732.9%	746.0%	770.7%	865.4%	879.8%	882.9%	884.7%	886.2%	887.7%	889.2%	890.6%	
Adjustments & Refunds	(604.8%)	(641.9%)	(659.1%)	(683.3%)	(773.8%)	(786.9%)	(790.3%)	(791.9%)	(793.3%)	(794.6%)	(796.0%)	(797.3%)	
Other Operating Revenue	9.3%	9.0%	13.1%	12.7%	8.4%	7.1%	7.4%	7.2%	7.1%	7.0%	6.8%	6.7%	
Total Net Operating Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses													
Employee Salaries & Wages	34.4%	34.5%	33.1%	32.4%	37.8%	37.6%	37.2%	37.2%	37.0%	36.7%	36.4%	36.2%	
Employee Benefits	9.8%	9.9%	9.8%	9.5%	10.0%	10.0%	10.0%	10.1%	10.1%	10.2%	10.3%	10.3%	
Occupancy Costs	1.5%	1.4%	1.4%	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	
Drugs & Medical Supplies	14.4%	14.1%	13.5%	12.7%	12.5%	12.5%	12.6%	12.7%	12.9%	13.0%	13.2%	13.4%	
Corporate Services	5.4%	5.7%	5.5%	5.2%	4.8%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	
Other Medical Costs	6.5%	6.5%	6.1%	5.5%	6.7%	6.8%	6.9%	7.9%	7.9%	7.9%	7.9%	7.9%	
Insurance	1.3%	1.6%	1.3%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
General & Administrative	6.1%	6.2%	5.8%	5.4%	6.3%	6.3%	10.6%	10.5%	10.5%	10.5%	10.5%	10.5%	
Total Operating Expenses	79.5%	79.9%	76.4%	73.6%	81.5%	81.6%	85.7%	86.8%	86.8%	86.8%	86.8%	86.8%	
Reported Historical EBITDA	20.5%	20.1%	23.6%	26.4%	18.5%	18.4%							
Less: COVID-19 Grant Income	-	-	(3.2%)	(3.5%)	(0.0%)	(0.0%)							
Less: Physician Investment	(1.2%)	(2.2%)	(2.3%)	(1.9%)	(2.6%)	(2.6%)							
Less: Corporate Overhead	(1.8%)	(1.7%)	(1.7%)	(1.6%)	(1.7%)	(1.6%)							
EBITDA	17.5%	16.1%	16.4%	19.4%	14.2%	14.1%	14.3%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%
Depreciation & Amortization Expense	2.8%	2.8%	2.8%	2.7%	2.9%	2.9%	2.9%	10.4%	1.6%	1.2%	0.9%	0.8%	2.5%
Interest Expense	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	-	-	-	-	-	-	-
Earnings Before Non-Operating Items	14.6%	13.3%	13.5%	16.7%	11.2%	11.2%	11.4%	2.8%	11.6%	12.0%	12.3%	12.5%	10.7%
Non-Operating Expense (Income)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	-
Earnings Before Income Taxes	14.6%	13.2%	13.5%	16.7%	11.2%	11.1%	11.4%	2.8%	11.6%	12.0%	12.3%	12.5%	10.7%
Federal & State Income Tax Expense	-	-	-	-	-	-	3.2%	0.8%	3.2%	3.4%	3.4%	3.5%	3.0%
Earnings After Income Taxes	14.6%	13.2%	13.5%	16.7%	11.2%	11.1%	8.2%	2.0%	8.3%	8.6%	8.9%	9.0%	7.7%



	Year 1	Year 2	Year 3	Year 4	Year 5	Terminal Year	Key Assumptions
Net Operating Revenue	625,052,599	643,877,800	663,327,952	683,425,490	704,193,711	725,319,522	
EBITDA	82,690,257	84,768,173	87,597,470	90,343,739	93,000,364	95,790,375	
Depreciation & Amortization Expense	65,127,986	10,202,193	8,063,302	6,096,795	5,285,297	18,133,000	
Earnings Before Income Taxes	17,562,271	74,565,980	79,534,168	84,246,944	87,715,067	77,657,375	
Federal & State Income Tax Expense	4,914,556	20,866,246	22,256,524	23,575,328	24,545,834	21,731,329	28.0% Blended Federal & State Tax Rate
Earnings After Income Taxes	12,647,715	53,699,735	57,277,645	60,671,616	63,169,234	55,926,045	
Plus: Depreciation & Amortization	65,127,986	10,202,193	8,063,302	6,096,795	5,285,297	18,133,000	
Less: Required Annual Capital Expenditures	(15,626,000)	(16,097,000)	(16,583,000)	(17,086,000)	(17,605,000)	(18,133,000)	
Less: Incremental Working Capital Requirements	(3,152,987)	(2,823,780)	(2,917,523)	(3,014,631)	(3,115,233)	(3,168,872)	15.0% of Total Net Operating Revenues
Net Discretionary Cash Flow	58,996,714	44,981,148	45,840,424	46,667,780	47,734,297	52,757,174	
						Indicated Residual Value:	586,190,820
							3.0% Long-Term Growth Rate
Partial Year Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	
Present Value Period (Mid-Year Convention)	0.50	1.50	2.50	3.50	4.50	4.50	
Present Value Factor	0.9449	0.8437	0.7533	0.6726	0.6005	0.6005	12.0% Weighted Average Cost of Capital
Discounted Net Discretionary Cash Flows	\$55,746,655	\$37,949,276	\$34,530,556	\$31,387,308	\$28,664,834	\$352,012,358	
Sum of the Present Value of the Years One through Five Projected Cash Flows					\$188,278,628	35.3%	
Present Value of the Terminal Year					352,012,358	66.1%	
Present Value of the Depreciation Tax Shield					(7,431,218)	(1.4%)	
Total Sum of the Present Value of the Cash Flows					532,859,768	100.0%	
Net Fixed Assets					\$79,887,915	13.6%	
Normalized Net Working Capital					\$90,600,000	15.4%	
Intangible Asset Value Indicated by the Income Approach					\$362,371,853	61.5%	
Tax Amortization Benefit					\$56,298,344	9.6%	
Fair Market Value Indication with Tax Amortization Benefit					\$589,158,112	100.0%	

Implied Market Multiples

NBY	Year 1	Implied Exit
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Fair Market Value Indication with Tax Amortization Benefit

Implied BEV / Revenue Multiples	1.0x	0.9x	
Implied BEV / EBITDA Multiples	6.8x	7.1x	6.1x

Sensitivity Analysis: Fair Market Value Indication with Tax Amortization Benefit

Row Input: Weighted Average Cost of Capital

Column Input: Estimated Long-Term Growth Rate

	11.0%	11.5%	12.0%	12.5%	13.0%
2.5%	\$641,000,000	\$603,600,000	\$570,300,000	\$540,500,000	\$513,600,000
3.0%	\$666,300,000	\$625,400,000	\$589,200,000	\$556,900,000	\$528,100,000
3.5%	\$695,000,000	\$649,900,000	\$610,300,000	\$575,300,000	\$544,100,000





DESERT REGIONAL MEDICAL CENTER

COST OF CAPITAL

	Footnotes	
Cost of Equity		
Market Risk Premium (R_M)	1	6.35%
x Subject Company Re-levered Beta (B_i)	2	1.4551
Adjusted Market Risk Premium		9.24%
+ Size Premium (R_s)	3	1.18%
+ Company-Specific Risk Premium (R_u)	4	3.00%
Total Estimated Equity Risk Premium		13.42%
+ Risk-Free Rate of Return (R_f)	5	3.92%
Total Cost of Equity (K_e)		17.34%
x Equity as a Percentage of Total Capital (W_e)	6	60.00%
Pro-Rata Cost of Equity		10.40%

Cost of Debt		
Pre-Tax Cost of Debt (K_d)	7	5.52%
x Tax Rate (t)	8	27.98%
After-Tax Cost of Debt		3.98%
x Debt as a Percentage of Total Capital (W_d)	6	40.00%
Pro-Rata Cost of Debt		1.59%

Weighted Average Cost of Capital	
Pro-Rata Cost of Equity	10.40%
Pro-Rata Cost of Debt	1.59%
Weighted Average Cost of Capital (Unrounded)	11.99%
Weighted Average Cost of Capital (Selected)	12.00%

Key Assumptions

$$K_e = R_f + [R_m \times B_i] + R_s + R_u$$

Kroll Supply-Side Long-Term Equity Risk Premium as of March 31, 2023.

Please refer to the Beta Calculation page for more detail.

Kroll Market Capitalization of companies in the 8th Decile as of March 31, 2023.

Yield of 20 Year Treasury securities as of April 17, 2023, as published by the Federal Reserve.

Moody's yield on corporate bonds, rating Baa, as of April 17, 2023, as published by the Federal Reserve.

Blended state and federal tax rate for businesses operating in the state of California.

*After-Tax Cost of Debt = Pre-Tax Cost of Debt * (1-Tax Rate)*

The selected debt weighting is based on the Industry Norm.

$$WACC = [K_e \times W_e] + [K_d \times (1 - t) \times W_d]$$



Notes & Sources

- (1) *The equity risk premium is the additional return an investor expects to receive to compensate for the risk associated with investing in equities as opposed to investing in riskless assets. The equity risk premium applied represents the Kroll Supply-Side Long-Term Equity Risk Premium as of April 17, 2023. The selected equity risk premium was considered to reasonably represent a consensus viewpoint of the market equity risk premium.*
- (2) *The beta is a measure of statistical volatility, or systemic risk, of an industry relative to the market as a whole. Beta is used to measure the price sensitivity of a company, or in this case an industry, in relation to changes in overall market prices. Public guideline company betas are unlevered in order to remove any positive effects they might receive by adding debt to their capital structures. These unlevered betas are then re-levered using the selected capital structure for the entity under question. Please refer to the following page for the publicly-traded guideline companies utilized and our calculation of beta.*
- (3) *The size (or small company) premium is the additional return an investor expects to receive to compensate for the additional risk associated with investing in a small, and inherently more risky, company. The size premium utilized was the risk premium calculated for companies included in the 8th decile of the stock exchanges analyzed by Kroll as of April 17, 2023. The size premium was based on equity value before consideration of non-operating assets.*
- (4) *The final common component of the CAPM model is the company-specific risk premium. The company-specific risk quantifies the risk associated with the specific operations of the company or the “unsystematic” risk of the company. Our selection of a company-specific risk premium adjusts not only for the additional risks inherent in the operations, but also accounts for the mitigating factors present in the operations. These risks are relative to the public markets from which the market equity risk premium, industry risk premium and small company risk premium were derived.*
- (5) *The risk-free rate is a proxy for the return available on a security that the market generally regards as free of default risk. The rate of return on a risk-free security was found by looking at the yields of United States Treasury securities. Ideally, the duration of the security used as an indication of the risk-free rate should match the horizon of the projected cash flows being discounted (which is into perpetuity in the present case). We used the available 20 Year Treasury rate as published by the Federal Reserve and sourced from Standard & Poor’s Capital IQ as of April 17, 2023.*
- (6) *We reviewed capital structures for public companies operating in the industry, the current capital structure of the subject entity, and our experience with similar businesses in selecting the capital structure utilized in the WACC analysis.*
- (7) *The cost of debt utilized in the calculation of the WACC was based upon the available Moody’s yield on seasoned corporate bonds, rating Baa, as published by the Federal Reserve and sourced from Standard & Poor’s Capital IQ as of April 17, 2023.*
- (8) *To calculate the after-tax cost of debt component in the WACC formula, we utilized the blended state and federal income tax rate applicable to the state of California.*



Cost of Capital | Beta Calculation

\$USD in thousands

	Ticker	S&P Credit Rating	Market Capitalization	Total Debt	Minority Interest	Preferred Equity	Debt / TIC ⁽³⁾	Debt / Equity	Effective Tax Rate ⁽⁴⁾	Levered Beta ⁽²⁾	Unlevered Beta ⁽⁵⁾	
1.	HCA Healthcare, Inc.	HCA	BBB-	\$75,163,720	\$38,084,000	\$2,694,000	-	32.8%	48.9%	20.2%	1.434	1.031
2.	Tenet Healthcare Corporation	THC	B+	6,746,770	15,079,000	3,466,000	-	59.6%	147.6%	20.4%	2.274	1.046
3.	Universal Health Services, Inc.	UHS	BB+	9,542,567	4,807,980	49,463	-	33.4%	50.1%	23.4%	1.294	0.935
4.	Community Health Systems, Inc.	CYH	CCC+	667,793	11,635,000	633,000	-	89.9%	894.5%	212.0%	2.078	(0.230)

	4	4	4	4	4
Number of Observations					
Low	32.8%	48.9%	20.2%	1.294	(0.230)
25th Percentile	33.3%	49.8%	20.4%	1.399	0.644
Median	46.5%	98.9%	21.9%	1.756	0.983
Mean	54.0%	285.3%	69.0%	1.770	0.695
75th Percentile	67.2%	334.3%	70.5%	2.127	1.035
High	89.9%	894.5%	212.0%	2.274	1.046

Re-Levered Beta Calculation

Median Public Comparable Unlevered Beta	Median of the Guideline Public Company Unlevered Betas:	0.983
Target Company Debt / Equity	Based on the Industry Norm:	66.7%
Blended Federal & State Income Tax Expense	Hospital's Marginal Tax Rate:	28.0%
Re-Levered Beta, Subject Company ⁽⁶⁾		1.455

Notes & Sources

- (1) Source: Standard & Poor's Capital IQ as of April 17, 2023. Please note that United States dollars are presented in thousands.
- (2) The 5 Year levered beta was sourced from Standard & Poor's Capital IQ, and computed by taking the slope of a weekly regression line of the percentage change of the stock relative to the percentage price change in the S&P 500 as of April 17, 2023.
- (3) The Debt / TIC ratio was sourced from Standard & Poor's Capital IQ, and represents the median of the public companies' debt structure as of April 17, 2023. Please note, the debt figures exclude Right-of-Use ("ROU") liabilities.
- (4) A 5 Year effective tax rate was calculated to match the beta calculation period and adjust for single-period inconsistencies. A marginal tax rate was selected for the following companies (tickers) due to the calculation of a negative effective tax rate:
- (5) $Unlevered\ Beta = Levered\ Beta / (1 + (D/E) * (1 - T))$
- (6) $Re-levered\ Beta = Unlevered\ Beta * (1 + (D/E) * (1 - T))$



Cost of Capital | Kroll Data

Historical Size Premiums ⁽¹⁾	2015	2016	2017	2018	2019	2020	2021	2022
1st	(0.4%)	(0.4%)	(0.3%)	(0.3%)	(0.3%)	(0.2%)	(0.2%)	(0.3%)
2nd	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.4%	0.5%
3rd	0.9%	0.9%	0.9%	0.8%	0.7%	0.7%	0.6%	0.6%
4th	1.1%	1.0%	0.9%	0.9%	0.8%	0.8%	0.5%	0.6%
5th	1.6%	1.5%	1.4%	1.3%	1.1%	1.1%	0.9%	0.9%
6th	1.7%	1.6%	1.6%	1.5%	1.3%	1.4%	1.2%	1.2%
7th	1.7%	1.6%	1.6%	1.6%	1.5%	1.5%	1.3%	1.4%
8th	2.2%	2.0%	1.9%	1.8%	1.6%	1.5%	1.2%	1.2%
9th	2.7%	2.5%	2.5%	2.5%	2.2%	2.3%	2.1%	2.2%
10th	5.8%	5.6%	5.4%	5.2%	5.0%	5.0%	4.8%	4.8%
Size Premium: 8th Decile	2.2%	2.0%	1.9%	1.8%	1.6%	1.5%	1.2%	1.2%

Market Capitalization of Smallest Companies in Decile:	n/a	n/a	n/a	\$730,047	\$515,621	\$451,955	\$629,118	\$377,076
Market Capitalization of Largest Companies in Decile:	n/a	n/a	n/a	\$1,292,224	\$993,847	\$911,103	\$1,306,038	\$782,383

Market Capitalization ⁽²⁾	2018		2019		2020		2021		2022	
	Smallest	Largest	Smallest	Largest	Smallest	Largest	Smallest	Largest	Smallest	Largest
1st	29,428,909	1,073,390,566	31,090,379	1,061,355,011	29,025,803	1,966,078,882	36,160,584	2,324,390,219	31,549,077	2,203,381,286
2nd	13,512,960	29,022,867	13,142,606	30,542,936	13,178,743	28,808,073	16,759,390	36,099,221	12,372,885	31,316,513
3rd	7,275,967	13,455,802	6,618,604	13,100,225	6,743,361	13,177,828	8,216,356	16,738,364	5,918,981	12,323,854
4th	4,504,066	7,254,230	4,312,546	6,614,962	3,861,858	6,710,676	5,019,883	8,212,638	3,770,176	5,916,017
5th	2,996,003	4,503,549	2,688,889	4,311,252	2,445,693	3,836,536	3,281,009	5,003,747	2,365,425	3,769,877
6th	1,961,831	2,992,251	1,669,856	2,685,865	1,591,865	2,444,745	2,170,315	3,276,553	1,389,851	2,365,076
7th	1,292,791	1,960,201	993,855	1,668,282	911,586	1,591,765	1,306,402	2,164,524	789,019	1,389,118
8th	730,047	1,292,224	515,621	993,847	451,955	911,103	629,118	1,306,038	377,076	782,383
9th	325,360	727,843	230,024	515,602	190,019	451,800	290,002	627,803	218,389	373,879
10th	2,455	321,578	1,973	229,748	2,194	189,831	10,588	289,007	2,015	218,227
Market Capitalization: 8th Decile	\$730,047	\$1,292,224	\$515,621	\$993,847	\$451,955	\$911,103	\$629,118	\$1,306,038	\$377,076	\$782,383

Notes & Sources

Source: Kroll Cost of Capital Navigator

(1) Return in excess of CAPM.

(2) Represents the market capitalization of the smallest and largest companies within each decile; amounts are presented in thousands.





DESERT REGIONAL MEDICAL CENTER

MARKET APPROACH

Low	Mid-Point	High
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Business Enterprise / EBITDA

Financial Metric	<i>Year 1 Total EBITDA</i>	\$82,690,257	\$82,690,257	\$82,690,257
Range of Selected Multiples		7.0x	7.5x	8.0x
Business Enterprise / EBITDA		\$578,831,799	\$620,176,928	\$661,522,056

Business Enterprise / EBITDA		\$578,831,799	\$620,176,928	\$661,522,056
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Mid-Point Merger & Acquisition Approach Value Indication, Rounded				\$620,000,000
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Capitalization Data		Ticker	Market Capitalization	Total Debt	Minority Interest	Preferred Equity	Cash & Short-Term Investments	Business Enterprise
1.	HCA Healthcare, Inc.	HCA	\$75,163,720	\$38,084,000	\$2,694,000	-	\$1,000,000	\$114,941,720
2.	Tenet Healthcare Corporation	THC	6,746,770	15,079,000	3,466,000	-	858,000	24,433,770
3.	Universal Health Services, Inc.	UHS	9,542,567	4,807,980	49,463	-	102,818	14,297,192
4.	Community Health Systems, Inc.	CYH	667,793	11,635,000	633,000	-	118,000	12,817,793

Financial Performance		Ticker	TTM Revenue	FY + 1 Revenue	FY + 2 Revenue	TTM EBITDA	FY + 1 EBITDA	FY + 2 EBITDA
1.	HCA Healthcare, Inc.	HCA	\$60,233,000	\$62,605,026	\$66,159,400	\$12,067,000	\$12,194,348	\$12,945,131
2.	Tenet Healthcare Corporation	THC	19,390,000	20,059,039	21,058,026	3,542,000	3,278,892	3,481,582
3.	Universal Health Services, Inc.	UHS	13,399,370	14,109,450	14,811,360	1,644,166	1,713,084	1,811,402
4.	Community Health Systems, Inc.	CYH	12,211,000	12,396,155	12,946,487	1,182,000	1,529,113	1,663,400

Valuation Multiples		Ticker	TTM Revenue	FY + 1 Revenue	FY + 2 Revenue	TTM EBITDA	FY + 1 EBITDA	FY + 2 EBITDA
1.	HCA Healthcare, Inc.	HCA	1.9x	1.8x	1.7x	9.5x	9.4x	8.9x
2.	Tenet Healthcare Corporation	THC	1.3x	1.2x	1.2x	6.9x	7.5x	7.0x
3.	Universal Health Services, Inc.	UHS	1.1x	1.0x	1.0x	8.7x	8.3x	7.9x
4.	Community Health Systems, Inc.	CYH	1.0x	1.0x	1.0x	10.8x	8.4x	7.7x

Number of Observations	4	4	4	4	4	4
Low	1.0x	1.0x	1.0x	6.9x	7.5x	7.0x
25th Percentile	1.1x	1.0x	1.0x	8.2x	8.1x	7.5x
Median	1.2x	1.1x	1.1x	9.1x	8.4x	7.8x
Mean	1.3x	1.3x	1.2x	9.0x	8.4x	7.9x
75th Percentile	1.4x	1.4x	1.3x	9.9x	8.6x	8.1x
High	1.9x	1.8x	1.7x	10.8x	9.4x	8.9x

Notes & Sources

(1) Sources: Standard & Poor's Capital IQ as of April 17, 2023.

(2) Business Enterprise Value ("BEV") is defined as Market Value of Equity plus Interest-bearing Debt and minority interest less Cash and Cash Equivalents.

(3) Please note, the debt figures exclude Right-of-Use ("ROU") liabilities.



Market Approach | Guideline Public Company Analysis

Revenue Growth	HCA	THC	UHS	CYH	Mean	Median	EBITDA Growth	HCA	THC	UHS	CYH	Mean	Median
FYE - 2	0.4%	(3.6%)	1.6%	(10.8%)	(3.1%)	(1.6%)	FYE - 2	1.7%	(10.5%)	3.7%	(27.4%)	(8.1%)	(4.4%)
FYE - 1	14.0%	10.6%	9.4%	4.9%	9.7%	10.0%	FYE - 1	25.5%	40.1%	3.1%	69.6%	34.6%	32.8%
FYE	2.5%	(1.6%)	6.0%	(1.3%)	1.4%	0.6%	FYE	(4.1%)	(2.6%)	(14.8%)	(31.7%)	(13.3%)	(9.4%)
TTM	-	-	-	-	-	-	TTM	-	-	-	-	-	-
Year 1	3.9%	3.5%	5.3%	1.5%	3.6%	3.7%	Year 1	1.4%	(7.4%)	4.3%	30.9%	7.3%	2.9%
Year 2	5.7%	5.0%	5.0%	4.4%	5.0%	5.0%	Year 2	6.2%	6.2%	5.7%	8.8%	6.7%	6.2%
Year 3	6.1%	5.0%	4.7%	4.9%	5.2%	5.0%	Year 3	7.4%	8.4%	6.5%	7.9%	7.5%	7.6%

EBITDA Margin	HCA	THC	UHS	CYH	Mean	Median	Capital Expenditures	HCA	THC	UHS	CYH	Mean	Median
FYE - 2	19.4%	14.6%	16.2%	8.6%	14.7%	15.4%	FYE - 3	8.1%	3.6%	5.6%	3.3%	5.2%	4.6%
FYE - 1	21.3%	18.4%	15.2%	13.8%	17.2%	16.8%	FYE - 2	5.5%	3.0%	6.3%	3.7%	4.6%	4.6%
FYE	20.0%	18.3%	12.3%	9.6%	15.0%	15.3%	FYE - 1	6.1%	3.3%	6.8%	3.8%	5.0%	4.9%
TTM	20.0%	18.3%	12.3%	9.6%	15.0%	15.3%	FYE	7.3%	3.9%	5.5%	3.4%	5.0%	4.7%
Year 1	19.5%	16.3%	12.1%	12.3%	15.1%	14.3%	TTM	7.3%	3.9%	5.5%	3.4%	5.0%	4.7%
Year 2	19.6%	16.5%	12.2%	12.8%	15.3%	14.7%							
Year 3	19.8%	17.1%	12.4%	13.2%	15.6%	15.1%							

Net Working Capital	HCA	THC	UHS	CYH	Mean	Median	Cash-Free NWC	HCA	THC	UHS	CYH	Mean	Median
FYE - 3	7.7%	6.5%	4.4%	9.8%	7.1%	7.1%	FYE - 3	6.2%	5.1%	3.8%	8.2%	5.8%	5.6%
FYE - 2	8.2%	14.8%	10.3%	16.6%	12.5%	12.6%	FYE - 2	4.5%	1.1%	(0.3%)	2.4%	1.9%	1.7%
FYE - 1	7.8%	11.7%	3.1%	10.5%	8.3%	9.1%	FYE - 1	5.2%	(0.3%)	2.2%	6.4%	3.4%	3.7%
FYE	7.4%	9.6%	5.8%	8.7%	7.9%	8.1%	FYE	5.8%	5.2%	5.0%	7.8%	5.9%	5.5%
TTM	7.4%	9.6%	5.8%	8.7%	7.9%	8.1%	TTM	5.8%	5.2%	5.0%	7.8%	5.9%	5.5%

Capital Structure	HCA	THC	UHS	CYH	Mean	Median	Additional Data	HCA	THC	UHS	CYH	Mean	Median
FYE - 3	45.1%	77.2%	24.6%	93.4%	60.1%	61.2%	SW&B	46.0%	45.6%	50.5%	43.6%	46.4%	45.8%
FYE - 2	42.7%	75.6%	31.4%	92.4%	60.5%	59.2%	Supplies	n/a	16.9%	11.0%	16.2%	14.7%	16.2%
FYE - 1	31.4%	61.9%	28.2%	86.2%	51.9%	46.6%	COGS	61.5%	62.5%	61.5%	59.8%	61.3%	61.5%
FYE	42.0%	64.4%	44.8%	93.2%	61.1%	54.6%	SG&A	1.6%	2.1%	1.0%	2.6%	1.8%	1.9%
TTM	34.1%	61.5%	35.5%	90.5%	55.4%	48.5%	D&A	4.9%	4.3%	4.3%	4.4%	4.5%	4.4%

Notes & Sources

(1) Sources: Standard & Poor's Capital IQ as of April 17, 2023.



Market Approach | M&A Multiples

VMG Complete Database	BEV / Revenue	BEV / EBITDA	EBITDA Margin Greater than 10.0%	BEV / Revenue	BEV / EBITDA
25th Percentile	0.31x	5.9x	25th Percentile	0.87x	6.1x
Median	0.58x	8.6x	Median	1.11x	8.0x
Mean	0.66x	8.8x	Mean	1.14x	7.5x
75th Percentile	0.93x	9.9x	75th Percentile	1.34x	9.0x

Notes & Sources

(1) VMG's Complete and Refined Databases include transactions sourced from Scope Research, Irving Levin Associates' Database, Capital IQ, and proprietary information.





HCA Healthcare, Inc., through its subsidiaries, provides health care services in the United States. It operates general and acute care hospitals that offers medical and surgical services, including inpatient care, intensive care, cardiac care, diagnostic, and emergency services; and outpatient services, such as outpatient surgery, laboratory, radiology, respiratory therapy, cardiology, and physical therapy. The company also operates outpatient health care facilities consisting of freestanding ambulatory surgery centers, freestanding emergency care facilities, urgent care facilities, walk-in clinics, diagnostic and imaging centers, rehabilitation and physical therapy centers, radiation and oncology therapy centers, physician practices, and various other facilities. In addition, it operates psychiatric hospitals, which provide therapeutic programs comprising child, adolescent and adult psychiatric care, adolescent and adult alcohol, drug abuse treatment, and counseling services. The company was formerly known as HCA Holdings, Inc. HCA Healthcare, Inc. was founded in 1968 and is headquartered in Nashville, Tennessee.



Tenet Healthcare Corporation operates as a diversified healthcare services company. The company operates through three segments: Hospital Operations, Ambulatory Care, and Conifer. Its general hospitals offer acute care services, operating and recovery rooms, radiology and respiratory therapy services, clinical laboratories, and pharmacies. The company also provides intensive and critical care, and/or coronary care units; cardiovascular, digestive disease, neurosciences, musculoskeletal, and obstetrics services; outpatient services, including physical therapy; cardiothoracic surgery, complex spinal surgery, neonatal intensive care, and neurosurgery services; quaternary care services in heart and kidney transplants; and limb-salvaging vascular procedure, acute level 1 trauma, intravascular stroke care, minimally invasive cardiac valve replacement, imaging, and telemedicine access services. In addition, it operates ambulatory surgery centers, imaging centers, surgical hospitals, off-campus emergency departments, and micro-hospitals. Further, the company offers end-to-end and focused-point business process services in the areas of hospital and physician revenue cycle management, patient communications and engagement support, and value-based care solutions to hospitals, health systems, physician practices, employers, and other customers. Tenet Healthcare Corporation was founded in 1967 and is headquartered in Dallas, Texas.



Universal Health Services, Inc., through its subsidiaries, owns and operates acute care hospitals, and outpatient and behavioral health care facilities. The company operates through Acute Care Hospital Services and Behavioral Health Care Services segments. Its hospitals offer general and specialty surgery, internal medicine, obstetrics, emergency room care, radiology, oncology, diagnostic and coronary care, pediatric services, pharmacy services, and/or behavioral health services. The company also provides commercial health insurance services; and various management services, which include central purchasing, information, finance and control systems, facilities planning, physician recruitment, administrative personnel management, marketing, and public relations services. Universal Health Services, Inc. founded in 1978 and is headquartered in King of Prussia, Pennsylvania.



Community Health Systems, Inc. owns, leases, and operates general acute care hospitals in the United States. It offers general acute care, emergency room, general and specialty surgery, critical care, internal medicine, obstetrics, diagnostic, psychiatric, and rehabilitation services, as well as skilled nursing and home care services. The company also provides outpatient services at primary care practices, urgent care centers, free-standing emergency departments, ambulatory surgery centers, imaging and diagnostic centers, and direct-to-consumer virtual health visits. As of December 31, 2021, it owned or leased 80 affiliated hospitals with an aggregate of 12,832 licensed beds. The company was founded in 1985 and is headquartered in Franklin, Tennessee.

Notes & Sources

(1) Sources: Standard & Poor's Capital IQ as of April 17, 2023.






WE VALUE HEALTHCARE

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DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: May 23, 2023
To: BOARD OF DIRECTORS
Subject: U.S. Surgeon General Loneliness and Isolation Advisory Report -
May 2023

On May 5, 2023 the U.S. Surgeon General’s Office published its advisory entitled “Our Epidemic of Loneliness and Isolation”. In this guide, the U.S. Surgeon General, Dr. Vivek H. Murthy highlighted an elevated level of loneliness and disconnection that existed prior to the COVID – 19 pandemic and has continued to grow significantly over the last few years. Given the extreme consequences associated with loneliness and isolation and as a public health issue, Dr. Murthy is asking for a heightened national and local effort by community partners and government agencies to join together to take advantage of the opportunity to build more connectivity for our community members through a process entitled “The Six Pillars to Advance Social Connection”.

Background:

- In recent years, about one-in-two adults reported experiencing loneliness. The impact of loneliness/disconnection can be seen in general health deterioration including higher risk for cardiovascular issues, stroke, depression, anxiety and premature death.
- Societies that lack well developed social connectors are impacted in visible ways in schools, workplaces, and civic organizations where performance, productivity and engagement are diminished, and extreme behaviors may result.
- Why is social connection so important? Social connection is comprised of three vital components:
 - Structure: The number and variety of relationships and frequency of interactions
 - Function: The degree to which relationships serve various needs
 - Quality: The positive and negative aspects of relationships and interactions
- National trends indicate that between 2003 to 2020, time spent alone increased while time spent on in-person social engagement decreased. Also in 2022 the number of single-person households doubled to 29% over the previous periods starting in 1960.

- The Six Pillars to Advance Social Connection highlighted in the report offers the perspective that a focus on six fundamental action points to help repair and sustain a community focus culture of connectivity. These pillars include:
 1. Strengthen social infrastructures in local communities by designing the infrastructure to support a social connection environment.
 2. Enact pro-connection public policies that include a focus on connection for all, minimizing harm because of isolation, and cross-departmental leadership at all levels of government.
 3. Mobilize the health sector to train health care providers, assess and support patients using a connectivity lens and expand public health surveillance and interventions.
 4. Reform digital environments by requiring data transparency, establishment, and implementation of safety standards for use, and support development of pro-connection technologies.
 5. Deepen our knowledge of social connection by developing and coordinating a national research agenda, accelerate research funding, and increase public awareness.
 6. Cultivate a culture of connection by ***cultivating values of kindness, respect, service, and commitment to one another***, model connection values in positions of leadership and influence and expand conversation on social connection in schools, workplaces, and communities.
- The focus on the implementation of The Six Pillars to Advance Social Connection can be applied across governments, organizations, communities and individuals to take action on this important issue.
- Finally, the sixth pillar calls us to Cultivate a Culture of Connection, nurturing values of kindness, respect, service, and commitment to one another; to model connection values in positions of leadership and influence; and to expand conversations on the social connection in schools, workplaces, and communities. I hope we can, at a minimum, do this within our organization.

Recommendations:

Internally, expand conversations on the social connection in the workplace, expanding on the DEI learning. Adopt a value statement to further guide our work.

Externally, potential actions could include a District-led initiative that would focus on awareness campaigns and public education to highlight the health impact of social disconnection/isolation.

Funding consideration to projects that will advance social connection across the Coachella Valley community to reach its most vulnerable members.

Convening community-based organizations who are working to better understand or strengthen social connection within our community.



Date: May 23, 2023

To: Board of Directors

Subject: CEO Community Engagements and District Visibility

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 past, current, and upcoming presentations and community engagements involving the CEO.
- It also includes District visibility through media and use of the CEO Discretionary Fund.

Information:

- Meeting with Abbie A. Totten, Molina Healthcare of California Plan President– April 23, 2023
- Meeting with California Consulting – April 25, 2023
- ACHD Legislative Visit – April 26 – 27, 2023
- Meeting with Asm. Eduardo Garcia – April 27, 2023
- CA Economic Summit: Regional Host Committee – April 28, 2023
- Roundtable on 2023 Farm Bill with Congressman Raul Ruiz & USDA, Rural Development Director Maria Gallegos Herrera – May 2, 2023
- Site Visit/Proposal Review with The Galilee Center – May 3, 2023
- Riverside County Equity and Justice Taskforce – May 3, 2023

- Mental Health Awareness Fair in Palm Desert – May 3, 2023
- Site Visit/Proposal Review with Lift to Rise – May 4, 2023
- Healthy Places Index (HPI) Workshop Facilitated by the Public Health Alliance – May 5, 2023
- Caravanserai Graduation Social Entrepreneurship, Engagement and Development (SEED Lab graduation with Tara Lynn Gray, Director of California Office of the Small Business Advocate (CalOSBA) – May 4, 2023
- Attended PEAK annual convening – May 7 – May 10, 2023
- ACHD Finance Committee Meeting – May 16, 2023
- Meeting with Trevor Wright, CEO Loma Linda University Health Hospitals – May 17, 2023
- Meeting with Strategies 360 – May 17, 2023
- 75th Anniversary Book release – May 19, 2023

About PEAK Grantmaking

PEAK Grantmaking is a community of 7,000 grantmaking professionals. **PEAK** stands for **P**inciples, **E**quity, **A**dvocacy, **K**nowledge.

There were over 1,000 people in attendance, representing a variety of grantmakers, including private and public entities, conversion foundations, family foundations, and corporate foundations.

The themes of the convening included:

- Grants Management as a Strategic Partner
- Creating Brave Spaces to Disrupt White Supremacy
- Creating Organizational Communities of Care
- From Scarcity to Abundance: Supporting the nonprofits of tomorrow

Some workshops attended included:

- Recalibrating the power dynamic between funders and grantees
- Modeling your dream foundation
- Latinx caucus
- The five best practices to conducting racial equity audits

My summary assessment is that it is a great convening. Grantmakers addressing disparities in health outcome/social injustices would greatly benefit from attending.

District Media Visibility

No media coverage between April 25 and May 18 when this report was written.

CEO Discretionary Fund

6325 - CEO Discretionary Fund			
07/14/2022	Regional Access Project Foundation	Nonprofit Desert Fast Pitch sponsorship	5,000
08/24/2022	Coachella Valley Economic Partnership	2022 CVEP Economic Summit – Silver Sponsorship	5,000
10/20/2022	UC Riverside Foundation	UCR SOM Celebration of Medical Education Gala - Bronze Sponsorship	5,000
11/03/2022	Blood Bank of San Bernardino	November 12, 2022 Thanks4Giving Gala	3,000
01/27/2023	First Bankcard (Union Bank)	Wal-mart -Clothing for migrant children left in Coachella Valley during the holidays, donated to the Galilee Center	1,444
01/27/2023	First Bankcard (Union Bank)	Donation to The Girlfriend Factor	2,500
02/27/2023	Desert Recreation Foundation	March 29, 2023 Bowling fundraiser	500
02/28/2023	Desert Healthcare Foundation-	Sponsorship Girlfriend Factor	1,300
02/28/2023	Desert Healthcare Foundation-	2023 Farm to Fork Dinner Table Sponsor	1,602
03/08/2023	OneFuture Coachella Valley	OneFuture Coachella Valley - The Future is Ours Event 2023 Sponsorship	5,000
03/17/2023	Family Service Association	Gold Sponsor for Family Service Association Flag Raising Ceremony	500
4/1/2023	Boys & Girls Club of Palm Springs	Be a Hero for Kids Event Sponsorship	5,000
4/10/2023	Carvanserai Project	Social Entrepreneurship Engagement and Development Lab graduation ceremony sponsorship	2,500
TOTAL			38,346



**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
May 09, 2023**

Directors Present via Video Conference	District Staff Present via Video Conference	Absent
President Evett PerezGil Vice-President Carmina Zavala, PsyD Director Leticia De Lara, MPA	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, CAO Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Jana Trew, SPO, Senior Program Officer, Behavioral Health Meghan Kane, MPH, Senior Program Officer, Public Health Erica Huskey, Program and Administrative Assistant	Andrea S. Hayles, Board Relations Officer

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	The meeting was called to order at 5:04 p.m. by Chair PerezGil.	
II. Approval of Agenda	Chair PerezGil asked for a motion to approve the agenda.	Moved and seconded by Director De Lara and Vice-President Zavala and to approve the agenda. Motion passed unanimously.
III. Meeting Minutes 1. April 11, 2023	Chair PerezGil asked for a motion to approve the April 11, 2023, meeting minutes.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the April 11, 2023, meeting minutes. Motion passed unanimously.
IV. Public Comment	There were no public comments.	
V. CEO Report 1. 75th Anniversary – History Book Release Launch – May 18	Conrado E. Bárzaga, MD, CEO, described the May 18 History Book Release Launch hosted at the El Mirador building on the campus of Desert Regional Medical Center with an anticipated 150 attendees.	

DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
May 09, 2023

<p>VI. Old Business</p>	<p>There is currently no old business.</p>	
<p>VII. Program Updates</p> <ol style="list-style-type: none"> 1. Progress and Final Reports Update 2. Grant Applications and RFP Proposals Submitted and Under Review 3. Grant Payment Schedule 	<p>Chair PerezGil inquired with the committee concerning any questions about the progress and final reports, grant applications and RFP proposals submitted and under review, and the grant payment schedule.</p> <p>There were no questions or comments.</p>	
<p>VIII. Grant Funding Requests</p> <ol style="list-style-type: none"> 1. Grant #1392 Galilee Center – Galilee Center Extended Shelter: \$268,342 one-year term – Goal #2 Access to Primary and Specialty Care; Strategy 2.7 Increase equitable access to primary and specialty services and resources in underserved communities in CV; Strategy 5.1 Reduce the negative impacts of social determinants of health on homelessness in CV. 	<p>Director De Lara disclosed at the advice of legal counsel that she sits on the advisory committee of the Galilee Center with no financial interest.</p> <p>Donna Craig, Chief Program Officer, described the Galilee Center’s \$268,342 grant request for funding extended shelter to individuals and families seeking asylum while awaiting transportation to their final destinations and providing wraparound support services as one of the only facilities in Riverside County providing refuge to asylum seekers.</p> <p>The committee inquired about the increase and impact of families with the end of Title 42 on May 11, families staying longer in the Coachella Valley, the financial strain, and the delivery of other services due to the tremendous need.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve Grant #1392 Galilee Center – Galilee Center Extended Shelter – \$268,342 one-year term and forward to the Board for approval. Motion passed unanimously.</p>

DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
May 09, 2023

<p>2. Grant #1391 Lift To Rise – Driving Regional Economic Stability Through Collective Impact - \$900,000 over a 3 year term. – Goal #5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis) – Strategies 5.1;5.2;5.3; and 5.4</p>	<p>Claudia Castorena, CFO and Founder, Galilee Center, described the anticipated increased capacity and preparations for 250-300 persons daily for 30-60 days, with a contingency plan for maximum capacity. Ms. Castorena provided an overview of the financial impact with partial support from the state and federal funding through Riverside County.</p> <p>Public Comments: Greg Rodriguez, deputy director of Housing and Workforce Solutions, Riverside County, described the support for the Galilee Center’s work and the ongoing partnership and funding not provided by FEMA in the Emergency Food and Shelter Program (EFSP).</p> <p>Donna Craig, Chief Program Officer, described the Lift to Rise \$900,000 grant request for operating support of the Housing Community Action Network (CAN) to continue the work of the 10,000 units by 2028 and reduce the rent burden of Coachella Valley residents.</p> <p>The committee inquired about the reduced costs for the consultant fees by the grants review staff, the financial review and funding for one year and reviewing the grant in year two and year three, including the</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve Grant #1391 Lift To Rise – Driving Regional Economic Stability Through Collective Impact – \$900,000 over a 3 year term with modifications of the inclusion of deliverables and milestones achieved at the end of the first and second years. Motion passed unanimously.</p>
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**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
May 09, 2023**

	<p>role of prior awarded multi-year grants.</p> <p>The following individuals provided public comments supporting Lift to Rise’s grant request:</p> <p>Alejandro Aguilar, Coachella Valley Organizer</p> <p>Greg Rodriguez, deputy director of Housing and Workforce Solutions, Riverside County</p> <p>Annalisa Vargas, Lead Community Advisor, Communities for New California (CNC)</p> <p>Rick Saldivar, Outreach Pastor, Local Community Leader, Cathedral City</p> <p>Carla Rosas, Coachella Resident</p> <p>Aliana Chappa, Coachella Valley Resident</p> <p>Asilia Gomez, Community Advocate, Coachella Resident</p> <p>Dieter Crawford, Desert Highland Gateway Estates Community Action Association</p> <p>Heather Vaikona, Chief Executive Officer, Lift to Rise, thanked the committee for the opportunity and addressed the amount of the grant request over a 3-year period and seeking matching grants from national funders.</p> <p>Director De Lara motioned to forward the 3-year grant request to the Board with modifications of the inclusion of deliverables achieved at the end of the first and second years.</p>	
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**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
May 09, 2023**

IX. Committee Members Comments	There were no committee meeting comments.	
X. Adjournment	Chair PerezGil adjourned the meeting at 5:57 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents

ATTEST: _____
Evelt PerezGil, Chair/ President, Board of Directors
Program Committee

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer

DRAFT



Date: May 9, 2023

To: Program Committee – District

Subject: Progress and Final Grant Reports 4/1/2023 – 4/31/2023

The following progress and final grant reports are included in this staff report:

CSUSB Philanthropic Foundation # 1303

Grant term: 2/1/2022 – 1/31/2023

Original Approved Amount: \$54,056

Final Report covering the time period from: 2/1/2022 – 1/31/2023

Olive Crest Treatment Centers # 1306

Grant term: 3/1/2022 – 2/28/2023

Original Approved Amount: \$123,451

Final Report covering the time period from: 3/1/2022 – 2/28/2023

Youth Leadership Institute # 1327

Grant term: 7/1/2022 – 6/30/2024

Original Approved Amount: \$50,000

Progress Report covering the time period from: 7/1/2022 – 12/31/2022

El Sol Neighborhood Educational Center # 1328

Grant term: 7/1/2022 – 6/30/2024

Original Approved Amount: \$150,000

Progress Report covering the time period from: 7/1/2022 – 12/31/2022

Desert AIDS Project dba DAP Health # 1361

Grant term: 7/1/2022 – 6/30/2023

Original Approved Amount: up to \$586,727

Monthly Progress Report covering the time period from: 3/1/2022 – 3/31/2022

CSUSB Philanthropic Foundation, Grant#: 1303

Nursing Street Medicine Program

Strategic Area: Homeless

Reporting Period: 2/1/22 to 1/31/23

Robert Nava

Tel: (909) 537-5004

rjnava@csusb.edu

Grant Information

Grant Amount: \$54,056

Paid to date: \$48,650

Balance: \$5,406

Proposed Goals and Evaluation

The specific benefits or measurable impact to be achieved by: (1/31/2023)

Evaluation Plan:

The Program nursing students complete intake/contact forms on the clients before the person is seen by a provider. Data collection will assess, to the extent possible, the number of times the program is able to divert patients from emergency room and hospital visits. The analysis will also include some process evaluation that would track numbers of individuals served, the extent to which participants were referred to other social services, and the reason for the referral. The Program collects the forms, de-identifies the information so people are not recognized by name, analyzes the data for use by the partners and for possible future publications, presentations, and funding requests. This proposal would support these activities.

Goal #1:

To provide healthcare services to 100 individuals and 300 contacts (contacts may be duplicated individuals) through nurse and medical clinics serving the homeless, unsheltered and vulnerable populations in the Coachella Valley, additionally assisting with COVID-19 testing, education and immunizations services, and divert people from using the ER for primary care and non-urgent issues by January 31, 2023.

Evaluation of goal #1:

Quantitative

The program will collect, analyze and report data about patients served. Demographic information will include: Age; Gender; Race/ethnicity; Veteran status; Insurance status;

Use of ER for primary care provider/usual place of care, ER diversion; Reason for being seen and services provided; Referrals; Other locations; Dates; Community Partners; Number of students involved; administration of Flu immunizations and COVID Vaccinations.

Goal #2: To build capacity by engaging and building empathy for vulnerable populations in 32 CSUSB PDC BSN nursing students, one nursing graduate student and four nursing student assistants in the Street Medicine Program activities for course credit or volunteer hours by January 31, 2023.

Evaluation of goal #2:

Quantitative

The program will report on the number of BSN nursing students, the credentials of the graduate student and the four nursing student assistants involved and the dates, locations of service and whether the student is participating for volunteer hours or course credit.

The program will report on the total number of hours worked by the nursing assistants.

Qualitative

The program will survey nursing students in their sophomore year and again in their senior year and compare the results before and after they participate in the Street Medicine Program, utilizing the internationally recognized survey tool. Health Professional's Attitude Toward the Homeless Inventory.

Goal #3: The program will monitor and track Street Medicine progress toward the development of additional collaborative partnerships and efforts to replicate the program reporting the new partner names and MOU agreements of two new partnerships by January 31, 2023.

Evaluation of goal #3:

Quantitative

The Program will present the programmatic work accomplished by the Street Medicine clinics at one national conference and two regional conferences by January 31, 2023. The program will report on one replication of the Street Medicine program by January 31, 2023.

Qualitative

The program will include ten testimonials from patients or agencies about the services provided by the nursing faculty and students. The Program will report on the number of faculty involved in the Program.

Proposed number of District residents to be served:

Total: 100

Proposed geographic area(s) served:

Cathedral City
Coachella
Desert Hot Springs
Indio
Mecca
Palm Springs
Thermal

Final Progress:

Final Outcomes on Goals and Evaluation

Program/project final accomplishment(s) in comparison to the proposed goal(s) and evaluation plan.

The Street Medicine Program provided healthcare services to 367 individuals and 799 contacts through nurse and medical clinics serving the Coachella Valley's homeless, unsheltered, and vulnerable populations. A total of 6,719 lunches were provided. Additionally, the program engaged and built empathy for vulnerable populations in 54 CSUSB PDC BSN nursing students. The Street Medicine Program partnered with over twelve Coachella Valley organizations and continually looked to expand. The Street Medicine Program PI and students presented at one national and two regional conferences.

Goal #1:

The Program will present the programmatic work accomplished by the Street Medicine clinics at one national conference and two regional conferences provided healthcare services to 367 unique individuals and saw 799 contacts through nurse and medical clinics serving the homeless, unsheltered, and vulnerable populations in the Coachella Valley, additionally assisting with 950 COVID immunizations services and diverted people from using the ER for primary care and non-urgent issues.

Evaluation of goal #1:

The program will collect, analyze and report data about patients served. Demographic information will include Age; Gender; Race/ethnicity; Veteran status; Insurance status; Use of ER for primary care provider/usual place of care, ER diversion; Reason for being seen and services provided; Referrals; Other locations; Dates; Community Partners; Number of students involved; administration of Flu immunizations and COVID Vaccinations.

NURSING STREET MEDICINE DATA - 2/1/22 – 1/31/2023

Lunches Given: 6719

Contacts seen by Nurses: 799

Unique individuals seen by nurses: 367

Contacts seen by doctors: 37
Wound care: 61
Care Packages: 1759
Of veterans: 55
Who uses ER for PCP: 291
Referrals: 137
Of referrals to residents on site: 39
Of referrals to PCP: 43
Of referrals to urgent care / ER: 14
Of referrals to "other": 39

Female clients: 217
Male clients: 570
Transgender Clients: 2
Non-binary clients: 4

American Indian / Alaskan Native: 27
Hispanic / Latino: 323
Black / African American: 63
Caucasian: 276
Native Hawaiian & Pacific Islander: 0
Asian: 23
Mixed-race: 37
Other: 22
Declined to State Race: 26

Medi-Cal / Medicare: 605
Private Insurance: 32
Uninsured: 115
Don't Know: 22
Military / Tricare / VA: 4

Age 6-17: 8
Age 18-24: 29
Age 25-64: 624
Age 65+: 125

In addition to the above services, CSUSB nursing students assisted with 950 COVID vaccinations during the grant period.

The testimonials from patients or agencies about the services provided by faculty and

students are available.

Goal #2:

PDC's Street Medicine Program built capacity by engaging and building empathy for vulnerable populations in 54 CSUSB PDC BSN nursing students, 2 nursing graduate students, and 4 nursing student assistants in the Street Medicine Program activities for course credit or volunteer hours.

Evaluation of goal #2:

The program will survey nursing students in their sophomore year and again in their senior year and compare the results before and after participating in the Street Medicine Program, utilizing the internationally recognized survey tool— Health Professional's Attitude Toward the Homeless Inventory.

During the reporting period, 54 individual BSN students, two nursing graduate students, and four student assistants participated in the Nursing Street Medicine Program. The graduate students received course credit. Of the participating BSN students, 53 received course credit and served at CVRM, CVVIM, Hope through Housing, Jewish Family Services, the Dumerosa Senior Village, Well in the Desert, and the Under the Bridge program. 2 BSN students volunteered throughout the reporting period and served every other Friday in the nurse clinics at the Well in the Desert free lunch program at Our Lady of Guadalupe and on Wednesdays at the Church of St. Paul's; at CVVIM on Tuesday evenings with the outreach team; with the UCR School of Medicine faculty and medical students in Mecca with the Promotores; and at the Indio Shepherd of the Valley United Methodist Church Under the Bridge free breakfast program under a Highway 86 overpass in Coachella on the last Saturday of each month.

The PDC student assistants worked a total of 1751.25 hours.

The COVID vaccinations were provided in partnership with DRMC and the Desert Physicians Medical Group and with, the Palm Springs Unified School District, and Oasis Healthcare and were administered in the following locations:

- Well in the Desert
- Cathedral Palms Hanson House
- Rancho Mirage High School
- Cathedral City High School
- Our Lady of Guadalupe Church
- Palm Springs High School
- Dumerosa Senior Village
- Our Lady of St. Paul Church

Students were surveyed during the reporting period utilizing the internationally recognized survey tool Attitudes Toward Homelessness Inventory (ATHI). Seventeen students completed the pre and post-ATHI during the reporting period. The results of the analysis of the survey responses were significant, indicating experience in the Street

Medicine program is associated with increased empathy toward people experiencing homelessness.

Higher ATHI scores indicate greater empathy except for the Structural Causation subcategory; these results were inverted to match the other values. In the comparison of the pretest and post-test, the ATHI post-test total score (37.71±4.75) was higher than the ATHI pretest total score (29.88 ± 6.19), and the mean score difference between them was significant, $t(16) = 3.89, p = .001$.

Results of paired T-test statistical analysis

ATHI Subscales

(Question #)	Pre mean (SD)	Post mean (SD)	T (df = 16)	Sig (Two-tailed)
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Personal Causation

(1,7,8)	7.52 (2.29)	10.70 (1.68)	3.796	0.002
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Structural Causation

(2,3,4)	9.11 (1.69)	6.82 (2.67)	-2.996	0.009
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Affiliation

(4,10)	6.35 (0.99)	6.76 (1.34)	1.444	0.168
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Solutions

(5,6,11)	6.88 (4.10)	13.41 (2.89)	5.253	<0.001
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Total	29.88 (6.19)	37.70 (4.75)	3.89	0.001
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Goal #3:

PDC's Street Medicine Program presented the programmatic work accomplished by the Street Medicine clinics at one national conference and two regional conferences.

Evaluation of goal #3:

The Sigma So Cal Odyssey Conference on October 13th, where the topic was "Changing the Attitudes of Nursing Students to Unhoused People." CSUSB nursing students Sarah Harrington and Dr. Diane Vines presented the topic.

The graduate student for the PDC campus gave a podium presentation at the Odyssey conference on the foot-soak program of street medicine.

The American Psychiatric Nurses Association Annual Conference October 20-21, where the topic was "Foot Soaks: Developing Nursing Student Compassion for Homeless People." Dr. Vines was joined by two CSUSB nursing students - graduate student Tatiana Spiegler and BSN student Sarah Harrington.

The 18th Annual International Street Medicine Symposium on September 22-24, where

the topic was “Implementation of Foot Soaks Program for Coachella Valley Homeless People.” This was presented by BSN student Sarah Harrington, Dr. Vines, and graduate student Tatiana Spiegler.

The foot soak program has been adopted by:

- The UCR School of Medicine faculty and students in their outreach program;
- New York City public health department;
- USC Los Angeles outreach program;
- Mayo Clinic, Rochester, MN

The new partners that were added include:

- UCR School of Medicine;
- Southwest Church Shower Unit;
- CVRM Shower Unit;
- Galilee Center (developing);
- Church of St. Paul

Another partnership is with the College of the Desert nursing department, whose students are partnered with CSUSB nursing students at nurse clinics and with foot soaks.

Six CSUSB PDC faculty were involved in the program.

Goal #4:

PDC student assistants served for over 1751.25 hours from February 1, 2022, to January 31, 2023.

Evaluation of goal #4:

The four nursing student assistants continued to work during the reporting period. Their resumes are on file at CSUSB for examination, as requested.

In the nurse clinics, the nursing student assistants worked with clients to provide triage and treatments such as vital signs, blood glucose, wound care, referrals, health assessments, medication, chronic disease management, preventive healthcare and education, case management, and vaccinations. They also assisted with data collection, documenting activities, recruiting and orienting student nursing volunteers, and reporting to the medical residents who were seeing clients.

A service added this year is the foot soak program, in which students were oriented on foot conditions and their treatment, how to perform soaks, and improve their communication skills. Conversations during soaks are free of medical advice and focused on students’ active listening and empathetic responses. Guests are made comfortable during the soaks, sit higher than the students to promote empowerment, and are given choices in the products used during the soak. Students are encouraged

to call the guests by their name throughout the conversation and make eye contact, interactions that are often rare for this population.

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The PDC student assistants served for over 1751.25 hours from February 1, 2022, to January 31, 2023.

Final number of District residents served:

Total: 367

Final geographic area(s) served:

Please answer the following questions

1. Please describe any specific issues/barriers in meeting the proposed program/project goals:

The COVID pandemic was a challenge for the project. The risk management officials of the California State University system were concerned about the exposure of faculty and students to the virus. We were very careful with PPE for faculty, students, and clients. We sanitized everything a client may have touched during the visit. We met outdoors even though the heat, rain, and wind were often problems. To our knowledge, we had no COVID cases among clients and staff.

When the vaccines became available, we used the trust of our partners, and we developed among the homeless, seniors, and farm workers to address vaccine resistance and get our clients to accept vaccinations. We helped vaccinate 950 people in the vulnerable populations in the Valley.

We started with partnerships with Well in the Desert, Coachella Valley Volunteers in Medicine, and the Desert Physicians Medical Group. We developed relationships with Coachella Valley Rescue Mission, Hope through Housing, SAC Health Systems, UCR School of Medicine, Jewish Family Services of San Diego, the Southwest and CVRM shower units, and two non-profit organizations serving San Bernardino.

We are partners in the mobile medical van intended to serve the Valley, especially the East Valley. We will go out with the van to do nurse clinics, foot soaks, and behavioral health telehealth. However, there were delays in obtaining and equipping the van, and we are only now able to go out together.

We believe it is important for the agencies serving the Valley's vulnerable populations to collaborate and develop mobile multi-service locations. To that end, we plan to work with CVVIM leadership to convene a meeting at CVVIM to increase partnerships and collaborations, including any agency providing services to the unhoused, elderly, and migrant populations.

We surpassed our goals but have learned some important lessons.

- There is a great need for patient education on medication and chronic disease management.
- It is challenging to locate appropriate referrals to agencies that will accept these clients, and we had to spend much time on the phone to get appointments.
- The need for clothing, shoes, socks, hygiene products, blankets, and sleeping bags is huge, and getting donations of these items is important.
- It is important to assess for depression, anxiety, and PTSD while providing physical care.
- We need to identify the number of individuals served and the total number of patient contacts. We have initiated a process to do so.
- Collaboration among partners is not easy and requires compromise and selflessness.

2. Please describe any unexpected successes other than those originally planned

The COVID pandemic was a challenge for the project. The risk management officials of the California State University system were concerned about the exposure of faculty and students to the virus. We were very careful with PPE for faculty, students, and clients. We sanitized everything a client may have touched during the visit. We met outdoors even though the heat, rain, and wind were often problems. To our knowledge, we had no COVID cases among clients and staff.

Another unexpected success was developing and implementing the foot soak program described earlier. This is very popular with unhoused people, and the

students have learned communication strategies they might not have learned otherwise.

Also, we are adding the behavioral health telehealth component to our outreach activities. The faculty and students will do a behavioral health assessment and connect the client via HIPPA-compliant Zoom and mobile hotspot to a psychiatric nurse practitioner who will prescribe medications. These prescriptions will be sent to a local pharmacy or, we hope, be dispensed onsite by the faculty and student nurses. We must secure the common psych medications onboard the van to make this last piece possible.

3. After the initial investment by the DHCD how will the program/project be financially sustained?

The Program will continue to seek local grants for ongoing needs of the Program, such as for supplies, hygiene products, and nursing student assistants. We have submitted a proposal to the campus for the plan to apply for a Federal grant for the Program in the next few months. We are working with University Advancement's Corporate and Foundation Relations team to identify and apply for grants.

4. List five things to be done differently if this project/program were to be implemented again

First, we need more coordination and collaboration among the various organizations serving the vulnerable populations in the Valley, especially those offering outreach activities. Many small groups have enthusiasm and vision but lack the resources and staff to collaborate since collaboration is essential. We hope to be part of that collaborative planning.

Second, finding unhoused people in encampments is becoming harder and harder. Many encampments have been broken up so that individuals may survive alone or in small groups, making it hard to serve a large number of people in one outreach time. Therefore, through collaboration, we need to go where the vulnerable populations gather, for example, at migrant farmer worksites or free food programs.

Third, we need to provide social services at the sites where the mobile units go to sign up people for health insurance, help them gather documents, seek resources, etc. Again, this requires collaboration and the will to serve the whole person.

Fourth, we do not have sufficient behavioral health services in the Valley. Urgent care needs are hard to find and limited in hours and behavioral health professionals. We still have to send patients from emergency rooms to inpatient facilities far away from friends and family support.

Fifth, we need more providers for these populations. This is why we work with UC Riverside and College of the Desert healthcare programs.

Olive Crest, Grant#: 1306

General Support for Counseling and Mental Health Services to Vulnerable Children and Families in Coachella Valley

Strategic Area: Vital Human Services to People with Chronic Conditions

Reporting Period: 3/1/22 to 2/28/23

Tracy Fitzsimmons
Tel: (951) 300-9816
tracy-fitzsimmons@olivecrest.org

Grant Information

Grant Amount: \$123,451

Paid to date: \$111,106

Balance: \$12,345

Proposed Goals and Evaluation

The specific benefits or measurable impact to be achieved by: (2/28/2023)

Evaluation Plan:

Olive Crest's Health Services Director trains the treatment team on collecting all outcome measurements necessary for evaluating all programs. Olive Crest uses a customized, client data base management, and internal tracking systems to generate reports on the number of children and families trained and served. Regular reporting and oversight ensure that project goals are met, or any challenges addressed. In addition, Olive Crest will also use the Child and Adolescent Functional Assessment Score (CAFAS) to track and assess functional improvement for each child/teen enrolled in these programs.

Goal #1:

By February 28, 2023, 99% (396) of children in Olive Crest's care will be determined as risk-free each month as measured by the number of incident reports filed.

Evaluation of goal #1:

All incidents are reported with corrective actions to supervisors within 48 hours. Documentation is necessary for suicide attempts, necessary medical intervention, abuse reports, safety, or behavioral intervention and/or client restraint. Reports are simultaneously reported to state and/or county representatives.

Each Incident is evaluated for process improvement and a summary is provided to the Board of Directors.

Goal #2:

By February 28, 2023, 95% (380) of children in our Coachella Valley services will have one or less placement moves while in Olive Crest's care as tracked through case notes and discharge reports.

Evaluation of goal #2:

Data is collected on a monthly basis by program supervisors through the "monthly benchmarking report". Placement stability scores are based on foster children who have had one or a few placement moves. Results are reported out to leadership team and Board of Directors on a monthly basis.

Goal #3:

By February 28, 2023 85% (340) of the children will successfully complete Olive Crest's programs being discharged to a permanent placement, or successfully graduating or transitioning to a lower level of care as evidenced by the total number of client case closures and exit reporting.

Evaluation of goal #3:

Permanency rates are determined by child(ren) transitioning out of current placement. Changes in placement include reunification, move to new agency, runaway, legal guardianship, juvenile hall, foster or group or adoptive home. Only improvements in placement can be counted toward permanency score. (Lateral or higher levels of care would lower the permanency rate.)

Goal #4:

By February 28, 2023 80% (320) of clients will show improvement from intake to closure as measured by the percentage of children with improved CAFAS Scores (Child and Adolescent Functional Assessment Scale). CAFAS measures impairment of functioning in the areas of education, relational skills with peers, and social skills within their environment. It also assesses major risk factors.

Evaluation of goal #4:

CAFAS is a formal, evidence-based, clinical outcomes measurement tool that is administered by staff who have successfully completed the CAFAS Reliability Training. Testing is conducted at intake, annually, and at discharge. Results are monitored in a database in order to ensure successful treatment strategies.

Goal #5:

By February 28, 2023, 80% (320) of clients will show improvement to stable state levels of acuity.

Evaluation of goal #5:

Clinicians track acuity upon a child's intake in the program while establishing acuity

through clinical judgement. Over the course of the treatment plan, the full-service team continues to note and submit progress reports from each interaction. Acuity levels are categorized between high risk, moderate risk and stable.

Examples of high-risk acuity includes recent suicidal or homicidal ideation or attempts, psychotic episodes, frequent AWOLs with high risk behavior, sexual acting out, and placement in jeopardy. Moderate-risk acuity includes psychotic episodes now on medication, at-risk of school expulsion, multiple AWOLs, and suicidal or homicidal ideation in the past year. Stable acuity includes stable psychosis, impulsive, and ADHD symptoms.

Proposed number of District residents to be served:

Total: 400

Proposed geographic area(s) served:

Cathedral City
Coachella
Desert Hot Springs
Indio
Mecca
North Shore
Thermal
Thousand Palms
Bermuda Dunes

Final Progress:

Program/project final accomplishment(s) in comparison to the proposed goal(s) and evaluation plan.

Our Olive Crest team is incredibly thankful for the financial support of the Desert Healthcare District & Foundation and the impact that we have been able to make because of this support.

In evaluation of our efforts, we have exceeded the total number of residents served by 33% and provided a total of 9,475 hours of counseling and therapy to this population. At the same time, our efforts fell short of the goals in total number of children served and areas of stability, permanency, functional improvement and lowered acuity.

While this is certainly a disappointment, several key factors have led to this:

- 1) Increased and compounded trauma due to the pandemic has resulted in much more difficult cases. Without mandated reporters (teachers, coaches, day care), children suffered in abuse and neglect for longer periods of time.
- 2) The children in our care are taking longer to complete their treatment plan. The

average days of service at discharge has grown from 288 in 2021 to 322 in 2023 to-date. On average, this essentially amounts to a full month of counseling and mental health supports.

Understanding these new realities, our leadership and staff have already begun instituting processes to support these youth in their recovery.

Goal #1:

Proposed: By February 28, 2023, 99% (396) of children in Olive Crest's care will be determined as risk-free each month as measured by the number of incident reports filed.

Final Outcome: 100% (323 clients) remained risk-free each month.

Evaluation of goal #1:

We exceeded expectations for this goal in terms of percentage of children determined risk-free each month.

Goal #2:

Proposed: By February 28, 2023, 95% (380) of children in our Coachella Valley services will have one or less placement moves while in Olive Crest's care as tracked through case notes and discharge reports.

Final Outcome: 82% (253 clients) had one or less placement moves.

Evaluation of goal #2:

Due to increased client acuity, more of the clients in our care needed to be placed in a different home environment. In a few cases, clients ran away from their placement.

Goal #3:

Proposed: By February 28, 2023 85% (340) of children will successfully complete Olive Crest's programs being discharged to a permanent placement or successfully graduating or transitioning to a lower level of care as evidenced by the total number of client case closures and exit reporting.

Final Outcome: 80% (225 clients) were discharged to a permanent placement, successfully graduated, or transitioned to a lower level of care.

Evaluation of goal #3:

As mentioned above, increased acuity upon entry has led to an increased average days of services. Consequently, clients are not graduating as quickly as they had before. The previous benchmark (85%) does not reflect this recent reality.

Goal #4:

Proposed: By February 28, 2023 80% (320) of clients will show improvement from intake to closure as measured by the percentage of children with improved CAFAS

Scores (Child and Adolescent Functional Assessment Scale). CAFAS measures impairment of functioning in the areas of education, relational skills with peers, and social skills within their environment. It also assesses major risk factors.

Final Outcome: 66% (166 clients) showed improvement from intake to closure.

Evaluation of goal #4:

We fell short of expectations for this goal in terms of number and percentage of children showing improvement from intake to closure as measured by CAFAS Scores due to overall increased client acuity.

Goal #5:

Proposed: By February 28, 2023, 80% (320) of clients will show improvement to stable state levels of acuity.

Final Outcome: 74% (181 clients) showed improvement to stable state levels of acuity.

Evaluation of goal #5:

We fell short of expectations for this goal in terms of percentage of clients showing improvement to stable state levels of acuity. At the same time, this measurement does show that clients are improving as a result of our counseling and mental health efforts.

Final number of District residents served:

Total: 535

Final geographic area(s) served:

All District Areas

Please answer the following questions

5. Please describe any specific issues/barriers in meeting the proposed program/project goals:

We experienced two main issues/barriers in meeting our proposed program goals.

First, we continue to struggle (like many other organizations) to find local, qualified staff members to provide services. This struggle is most significant in hiring clinicians (who must possess a Master's level education in psychology and social work), including recruitment and retention of qualified & bi-lingual clinicians. Second, increased client acuity has led to longer, extended time of care and lower than expected outcomes in placement stability, CAFAS scores and lowered acuity levels.

In response to the first issue/barrier, we have initiated a partnership with CBU for in-person MSW classes within the Coachella Valley which should provide a pipeline of qualified candidates within a year. Short-term, we have been increasing compensation for candidates to commute to the Coachella Valley AND utilizing

existing staff from other communities to provide critical services.

In response to the second issue/barrier, our team is working harder to establish outside partnerships (such as Blythe Mental Health Clinic and Barbara Sinatra Children's Center) to ensure uninterrupted care for clients once they depart from our care.

6. Please describe any unexpected successes other than those originally planned

We experienced the following unexpected successes during this reporting period:

1) Improved integration of our programs and services have allowed some clients to move from counselling and mental services into our Transitional Aged Youth program with continued access to counseling supports.

2) Increased and intentional transitions with outside providers to ensure continued, uninterrupted supports for clients. Two significant partners have been the Blythe Mental Health Clinic and the Barbara Sinatra Children's Center.

3) We have been pleased with the response to our new Counseling Center operations, and the current staff is operating at full capacity.

7. After the initial investment by the DHCD how will the program/project be financially sustained?

Olive Crest's Counseling and Mental Health Services for Vulnerable Children and Families in the Coachella Valley continues to rely on local funding support to supplement contracted county fees for service.

In addition to annual special events, we are continuing to expand funding from private individuals and corporate supporters. Several other foundations are specifically supporting our Mental Health and Counseling financial needs. Most recently, we have begun work on owning our Coachella Valley offices and counseling center outright which will provide long-term stability and reduce lease expenses.

All that said, we continue to work toward financial sustainability - which seems to be an ongoing effort due to the growth in demand for services and inflationary pressures on salaries, mileage and other costs.

8. List five things to be done differently if this project/program were to be implemented again

Below is a list of things that Olive Crest would do differently OR put additional focus on for the benefit of the program and future funding:

- 1) Work closely with faculty of new CSU San Bernardino MSW cohorts in order to identify opportunities for interns and staffing from the local Coachella Valley area. This (along with our new Coachella Valley partnership with Cal Baptist University) will allow Olive Crest to fill vacancies more quickly with talented individuals and expand services more rapidly.
- 2) Service teams have already begun to adjust their caseload to better reflect geographic proximity. This reduces drive time and mileage expenses while allowing staff to make more home visits in a given day AND better identify local supports for client referrals.
- 3) Evaluate opportunities to improve client acuity and healthy functioning and establish goals to specifically measure/manage efforts in those areas.
- 4) Keep more frequent communication with county personnel with whom we work with for services - this past year a personnel change led to a diminished referral rate of clients in need and led to missed opportunities in service delivery.
- 5) Look for partnership opportunities with other agencies that are providing adjacent/overlapping services in remote areas in order to strengthen/reinforce program delivery for clients in those communities.

Grant Progress Report

Youth Leadership Institute, Grant#: 1327

Youth Voice in Mental Health

Strategic Plan Goal:

Goal 3: Proactively expand community access to behavioral/mental health services

Strategic Plan Strategy:

Strategy: 3.6 Educate community residents on available behavioral/mental health resources

Strategy 3.7 - Collaborate/Partner with community providers to enhance access to culturally sensitive behavioral/mental health services

Reporting Period: 7/1/22-12/31/22

Paulina Rojas

Projas@yli.org

Grant Information

Grant Amount: \$50,000

Paid to date: \$11,250

Balance: \$38,750

Due Date: 2/1/2023

Goals and Evaluation

The specific benefits or measurable impact to be achieved by: (6/30/2024):

Progress Outcomes:

The launch of our Youth Voice in Mental Health has brought YLI staff and youth participants many accomplishment so far. From completing a youth participatory action research to forming a youth-led steering committee for our mental health survey launch. We also have also been in conversation with local decision makers to brief them about our efforts as well.

Goal #1:

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.

Progress of Goal #1:

In the Spring of 2022 in partnership with HARC (Health Assessment & Research for Communities) Inc., YLI ECV's ¡Que Madre! Media (¡QM!) youth developed and conducted content and questions for a focus group, surveys and mental health journal narrative prompts to collect quantitative and qualitative data as part of Youth-led participatory research project to identify mental health issues and opportunities in the Eastern Coachella Valley communities. A youth steering committee was formed and engaged to ensure youth were able to have a leadership role in the development of these research collection methods. These efforts have been instrumental in guiding programming, curriculum and strategies for ¡Que Madre! Media's efforts in mental health. To date, the focus group has been conducted and the mental health journal narrative collection has also been completed. In late January 2023, ¡QM! will be launching a mental health survey

YLI ECV's ¡QM! held 15 weekly meetings as part of their Fall 2022 programming in August 2022 - December 2022. In total, 23 youth were a part of the Fall 2022 cohort. The Fall 2022 cohort has supported the Youth-led participatory research project by supporting the mental health journal narrative collection project. This cohort has also continued to engage with other youth, community members and organizations to further discuss mental health issues in our communities.

Goal #2:

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.

Progress of Goal #2:

In Fall 2022, ¡QM! Worked to identify youth, parents, community organizations and leaders to engage in a community coalition that centers mental health stories, issues and solutions in Riverside County. In total we engaged with 22 youth who attend our regularly scheduled ¡QM! Programming, at least 19 community organizations that serve the ECV which also includes some parents that live in the ECV, and at least 4 leaders, and we have done outreach to 200+ youth in the Eastern Coachella Valley to inform them about our efforts.

To date, we hosted a virtual mental health meeting in September 2022. Due to youth academic calendar scheduling conflicts, holiday breaks we decided to postpone our December 2022 meeting to March 2023 where we plan to engage our coalition members in a power mapping session.

Goal #3:

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.

Progress of Goal #3:

YLI ECV's ¡QM! Has created a database that includes community members and

organizations and community leaders they have reached out to. They currently have 250+ youth, 20 community organizations and 4 community leaders. ¡QM! has continued to grow that database by planning strategic outreach efforts and engaging with local community organizations and leaders ¡QM! staff is still developing a texting hotline that will launch in Summer 2023.

Goal #4:

Utilize storytelling methods as a strategy for community change efforts throughout July 2022 to June 2024.

Progress of Goal #4:

YLI ECV's ¡QM! Will be launching their Spring 2023 programming in February 2023. During their 15 week programming youth will be working to create a mental health zine. The bilingual mental health zine production process will be led by youth and will include a mental health resource guide, stories submitted by community members and content created by ¡QM! Youth.

Due to academic and holiday breaks in Fall 2022, our team has had delays in our mental health video timeline. In Fall 2022, youth were able to complete an outline of the mental health video where they prepared interview questions, identified 3 community members to be in the video and worked together on a script. During ¡QM! Spring 2022 programming, youth will have the opportunity to film the mental health video.

Goal #5:

Engage elected and decision makers in implementing findings and recommendations from youth and adult coalition from July 2022 to June 2024.

Progress of Goal #5:

YLI ECV's ¡QM! has met with several elected and decision makers including 3 school board members, 6 wellness center group staff, CVUSD Superintendent Dr. Valentino. We've also met with staff from Congressman Raul Ruiz office. In addition, we've met with about 20 community organizations that serve the ECV.

Progress on the Number and Location of District Residents Served

Proposed number of District residents to be *directly* served:

Total: 100

Progress on the number of District residents *directly* served:

Total: 65

Proposed number of District residents to be *indirectly* served:

Total: 15,000

Progress on the number of District residents *indirectly* served:

Total: 2525

Geographic area(s) served during this reporting period:

Coachella
Mecca
North Shore
Thermal

Project Tracking:

- **Is the project on track? Yes**
- **Please describe any specific issues/barriers in meeting the desired outcomes:**

Academic scheduling + holiday breaks

Difficulty accessing school sites to engage with youth

Difficulty joining Riverside County Behavioral Health Commission or obtaining meeting information

- **If the project is not on track, what is the course correction?**

Moving forward with this project we will be more mindful to not schedule activities while students are on breaks from school. Currently we are also working on developing new strategies for recruitment. We are also strengthening our relationships with school staff to get increased access to students.

- **Describe any unexpected successes during this reporting period other than those originally planned:**

Continued partnership with partners such as UCR School of Medicine. Through training and projects youth have worked on at our ECV office, they've been able to use those skills to collaborate with partners on other public health issues such as environmental health and the Salton Sea.

Creation of a youth steering committee, played a central role in the youth-led participatory research. They were key in supporting the mental health journal narrative collection method design.

Our staff was able to host a wellness workshop in collaboration with the DMHS Wellness Center.

Grant Progress Report

El Sol Neighborhood Educational Center, Grant#: 1328

Expanding Access to Educational Resources for Promotores

Strategic Plan Goal: This project aligns with the DHCD Goals 2, 3 and 7

Strategic Plan Strategy:

This project seeks to address the following strategies: 2.7, 3.6 and 7.1

Reporting Period: 08/01/022 to 01/31/2023

Alexander Fajardo

Tel: 19098843735

alex fajardo@elsolnec.org

Grant Information

Grant Amount: \$150,000

Paid to date: \$33,750

Balance: \$116,250

Due Date: 4/02/23

Goals and Evaluation

Progress Outcomes:

El Sol has made some advancement towards the goals proposed on the application. The team has worked very diligently to each of the goals.

Goal #1:

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.

Progress of Goal #1:

El Sol team created the curriculums on Equity and Advocacy for a total of 12 hrs training. This curriculum was developed with the most experienced promotores and the evaluation plan will be ready for May.

The training will be host on July.

Goal #2:

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.

Progress of Goal #2:

A program curriculum has been developed, including training manuals, consisting of three sessions. The training sessions include 1) Wellness and Crisis, 2) Loss and Grief, and 3) Recovery and Resilience. The training curriculum has been developed in both English and Spanish.

A training was delivered to a group of CHW/Ps and other participants to become Resilience Group Facilitators. The following section reflects the evaluation of the training.

Demographics of Participants.

Gender. A total of 31 individuals participated in the training to become Resilience Group Facilitators. Of these, 30 were female, and 1 male.

Age. Most of the participants were 26 years old or older (93%). Half of the participants were in the 35-54 years old range (55%); followed by 55–64, and 26-34 year old range.

Race/Ethnicity. The majority of participants identified themselves as Latino (n29)

Training Feedback.

Meeting expectations. A total of 31 individuals participated in the training to become Resilience Group Facilitators. Of these, all agreed or strongly agreed that the training met their expectations.

Content quality. All participants agreed or strongly agreed that the training content was of good quality, and that it was easy to understand

Usefulness of training. Participants were asked to rate how useful the training was; 90% strongly agreed that it was useful, and 10% agreed to the usefulness of the training

Content Delivery. The delivery of the training was evaluated by asking participants to rate different areas of delivery including the facilitator's commitment to the training, how clear the content was presented, and if the training had a clear structure. Most participants (97%) strongly agreed that the facilitator demonstrated commitment to the training by presenting content very clearly. In addition, all participants rated the structure of the content as clear.

Perceived Self-Efficacy: capacity to deliver Wellbeing and Resiliency content to the community. At the end of the training, participants were asked to rate how convinced they were that they could deliver the Wellbeing and Resiliency content to their community. Most participants strongly agreed or agreed to their perceived self-efficacy to do so successfully.

Self-Esteem. In addition to perceived capacity to deliver the training content to the community and ability to grow in knowledge and skills, participants were asked to rate their self-esteem in regard to being a good Community Health Worker/Promotor for their community's wellbeing. Also, participants were asked to rate their agreement on having many positive qualities as a Community Health Worker/Promotor. With the exception of a very few, most participants rated their self-esteem positively, with most strongly agreeing or agreeing to being a good CHW/P for their community, and having positive CHW/P qualities.

The Community Resiliency and Recovery sessions began on September 09, 2022. So far, at least 1,085 points of contact have been made with community members, whether participating in one given session, or all three.

At least 482 community members have participated in Session 1: Wellness and Crisis, 316 in Session 2: Loss and Grief, and 287 in Session 3: Recovery and Resiliency. About 200 community participants have completed all three sessions, receiving a full participation certificate.

Goal #3:

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.

Progress of Goal #3:

El Sol team has worked to develop the materials that will be posted in our Learning HUB Website. The CHW/P Learning HUB is a website that will contain a wide-range of information and tools on various topics related to the work of CHWs/Ps. It is a unique website that gives the users access to information and education on many topics, tools such as printable sheets, homework materials, assessments, videos, games, blogs, and forums, as well as a dashboard that will report their learning progress, trends, and more.

Progress on the Number and Location of District Residents Served

Proposed number of District residents to be *directly* served:

Total: 2000

Progress on the number of District residents *directly* served:

Total: 1080

Proposed number of District residents to be *indirectly* served:

Total: 10000

Progress on the number of District residents *indirectly* served:

Total: 1080

Geographic area(s) served during this reporting period:

Cathedral City

Coachella

Desert Hot Springs

Indio

La Quinta

Mecca

North Shore

Oasis

Palm Springs

Thermal

Project Tracking:

- **Is the project on track?**

Yes

- **Please describe any specific issues/barriers in meeting the desired outcomes:**

None

- **If the project is not on track, what is the course correction?**

n/a

- **Describe any unexpected successes during this reporting period other than those originally planned:**

The mental health Training was super helpful and very well received by the Promotoras

DAP Health -Desert Health Care District Monthly Report for March 2023:

Goal 1: Numbers of individuals tested; treated; vaccinated for MPX: In March 2023, DAP administered 3 MPX test (0 positive); no individuals received treatment with TPOXX; administered 124 vaccines, and no hotel stays for an individual recovering from MPX. There were no vaccination clinics provided in March 2023.

Goal 2: Numbers of community members provided with MPX information about access to testing; treatment and vaccines through DAP's MPX hotline. In March 2023, the MPX hotline responded to 5 phone calls and no emails.

Goal 3: Social media metrics for DAP Health's digital/social media public health campaign to raise awareness of MPX exposure risk, symptoms and access to testing and care. During March 2023, DAP's radio public service announcements were aired 968 times, resulting in 16,977 visits to DAP Health's landing page with more information about MPX; digital ads providing MPX information about access to testing, treatment and vaccinations received 656,633 impressions resulting in 3,114 visits to DAP Health's landing page with more information on MPX. There were 3,610 visits to DAP Health's landing page on DAP Health's website with more information on MPX. 3 posts on Facebook, Instagram and Twitter resulted in 199 impressions and 0 post clicks to DAP Health's MPX landing page.



**DESERT HEALTHCARE
DISTRICT & FOUNDATION**

Date: May 9, 2023
To: Program Committee
Subject: Grant Applications, RFPs, and MOUs Submitted and Under Review

Staff Recommendation: Information only.

Grant Applications: The following grant applications have been submitted and under review by the grants team and are pending either proposal conferences and or a site visit or have been approved by the board of directors. Recommendations/suggested decisions will be brought forward to the Program Committee for possible action:

1. #1389 Step Up On Second Street, Inc. \$50,000 *Step Up's ECM/ILOS Programs in the Coachella Valley* – application and financials reviewed by staff and have requested more current financial documentation before initiating a proposal conference.
 - a. Status: still waiting for the requested additional financial documentation before proceeding with a proposal conference
2. #1387 (mini grant) Well In The Desert - \$10,000 *Hot Meals program*
 - a. Status: Site visit was conducted on April 4, 2023 at United Methodist Church where a hot meals program was in progress. Staff has requested revisions to the mini grant proposal for more information. Revised application has not been received.
3. #1390 (mini grant) PS Test \$7,669 requested for free clinic relocation expenses; however, after a site visit at their space, staff offered \$10,000 (a full mini grant amount) to assist with operating expenses.
 - a. Status: Mini grant under revisions. Once received, it will be approved by staff.
4. #1391 Lift To Rise - \$900,000 over 3 years (\$300K/year) for operating expenses for the Housing CAN.
 - a. Status – proposal conference conducted May 4th- Application in front of Program Committee at May 9th meeting
5. #1392 Galilee Center - \$268,342 – *Galilee Center Extended Shelter*
 - a. Status: Proposal conference conducted May 3rd. Application in front of Program Committee at May 9th meeting
6. #1395 DAP Health \$1,025,778 *DAP Health Expands Access to Healthcare* - assist with operating support gap in acquiring Borrego Health's assets to ensure smooth transition and uninterrupted healthcare services for clients of Borrego.
 - a. Status: staff has requested a more complete budget before initiating a proposal conference. Application planned for placement at June Program Committee meeting.

Recently Board-approved grants: None at this time

Recently declined grants:

There have been no declinations.

DESERT HEALTHCARE DISTRICT							
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE							
April 30, 2023							
TWELVE MONTHS ENDING JUNE 30, 2023							
Grant ID Nos.	Name	Approved	6/30/2022	Current Yr	Total Paid Prior Yrs	Total Paid Current Yr	Open
		Grants - Prior Yrs	Bal Fwd	2022-2023	July-June	July-June	BALANCE
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 4,990,000		\$ -		\$ 4,990,000
2021-1136-BOD-01-26-21	Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr.	\$ 119,432	\$ 11,944		\$ 11,944		\$ -
2021-1171-BOD-03-23-21	Blood Bank of San Bernardino/Riverside Counties - Bloodmobiles for Coachella Valley - 18 Months	\$ 150,000	\$ 15,000		\$ 15,000		\$ -
2021-1266-BOD-04-27-21	Galilee Center - Our Lady of Guadalupe Shelter - 1 Yr.	\$ 150,000	\$ 15,000		\$ 15,000		\$ -
2021-1277-BOD-04-27-21	Lift To Rise - United Lift Rental Assistance 2021 - 8 Months	\$ 300,000	\$ 30,000		\$ 30,000		\$ -
2021-1280-BOD-05-25-21	Desert AIDS Project - DAP Health Expands Access to Healthcare - 1Yr.	\$ 100,000	\$ 10,000		\$ 10,000		\$ -
2021-1296-BOD-11-23-21	Coachella Valley Volunteers In Medicine - Improving Access to Healthcare Services - 1 Yr.	\$ 154,094	\$ 84,752		\$ 69,342		\$ 15,410
2021-1289-BOD-12-21-21	Desert Cancer Foundation - Patient Assistance Program - 1 Yr.	\$ 150,000	\$ 82,500		\$ 82,500		\$ -
2022-1301-BOD-01-25-22	UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr.	\$ 113,514	\$ 62,433		\$ 51,081		\$ 11,352
2022-1302-BOD-01-25-22	Vision To Learn - Palm Springs, Desert Sands, and Coachella Valley School Districts 1 Yr.	\$ 50,000	\$ 27,500		\$ 22,500		\$ 5,000
2022-1303-BOD-01-25-22	CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.	\$ 54,056	\$ 29,731		\$ 29,731		\$ -
2022-1306-BOD-02-22-22	Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.	\$ 123,451	\$ 67,898		\$ 67,898		\$ -
2022-1311-BOD-04-26-22	Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.	\$ 102,741	\$ 56,508		\$ 46,233		\$ 10,275
2022-1313-BOD-04-26-22	Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities 1 Yr.	\$ 76,790	\$ 42,235		\$ 34,555		\$ 7,680
2022-1314-BOD-05-24-22	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 60,000	\$ 60,000		\$ 54,000		\$ 6,000
2022-1325-BOD-06-28-22	Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs.	\$ 150,000	\$ 150,000		\$ 67,500		\$ 82,500
2022-1327-BOD-06-28-22	Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs.	\$ 50,000	\$ 50,000		\$ 22,500		\$ 27,500
2022-1328-BOD-06-28-22	El Sol - Expanding Access to Educational Resources for Promotoras - 2 Yrs.	\$ 150,000	\$ 150,000		\$ 33,750		\$ 116,250
2022-1331-BOD-06-28-22	Pueblo Unido - Improving Access to Behavioral Health Education and Prevention Services - 2 Yrs.	\$ 50,000	\$ 50,000		\$ 22,500		\$ 27,500
2022-0965-BOD-06-28-22	Desert Healthcare Foundation - Behavioral Health Initiative Expansion - 3 Yrs.	\$ 2,000,000	\$ 2,000,000		\$ 2,000,000		\$ -
2022-22-15-BOD-06-28-22	Carry over of remaining Fiscal Year 2021/2022 Funds*	\$ 2,566,566	\$ 2,566,566		\$ 2,566,566		\$ -
2022-1323-Mini-07-21-22	Alianza Nacional De Campesinas, Inc - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1321-Mini-07-25-22	Theresa A. Mike Scholarship Foundation - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1324-BOD-07-26-22	Galilee Center - Our Lady of Guadalupe Shelter - 2 Yr.			\$ 100,000		\$ 45,000	\$ 55,000
2022-1332-BOD-07-26-22	Alianza CV - Expanding and Advancing Outreach Through Increasing Capacity Development - 2 Yrs.			\$ 100,000		\$ 22,500	\$ 77,500
2022-1322-Mini-08-13-22	Hanson House Foundation, Inc. - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1329-BOD-09-27-22	DPMG - Mobile Medical Unit - 3 Yrs.			\$ 500,000		\$ 50,000	\$ 450,000
2022-1350-BOD-09-27-22	JFK Memorial Foundation - Behavioral Health Awareness and Education Program - 1 Yr.			\$ 57,541		\$ 25,893	\$ 31,648
2022-1355-BOD-09-27-22	Joslyn Center - The Joslyn Wellness Center - 1 Yr.			\$ 85,000		\$ 38,250	\$ 46,750
2022-1361-BOD-09-27-22	DAP Health - DAP Health Monkeypox Virus Response - 1 Yr.			\$ 586,727		\$ 228,362	\$ 358,365
2022-1364-Mini-10-25-22	Al Horton Memorial Rotary Foundation - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1356-BOD-10-25-22	Blood Bank of San Bernardino/Riverside Counties - Coachella Valley Therapeutic Apheresis Program - 1 Yr.			\$ 140,000		\$ 63,000	\$ 77,000
2022-1358-BOD-10-25-22	Foundation for Palm Springs Unified School District - School-Based Wellness Center Project - 1 Yr.			\$ 110,000		\$ 49,500	\$ 60,500
2022-1362-BOD-10-25-22	Jewish Family Service of the Desert - Mental Health Counseling Services for Underserved - 2 Yrs.			\$ 160,000		\$ 36,000	\$ 124,000
2022-1326-BOD-12-20-22	TODEC - TODEC's Equity Program - 2 Yrs.			\$ 100,000		\$ 22,500	\$ 77,500
2022-1330-BOD-12-20-22	OneFuture Coachella Valley - Building a Healthcare Workforce Pipeline - 2 Yrs.			\$ 605,000		\$ 68,063	\$ 536,937
2022-1369-BOD-12-20-22	ABC Recovery Center - Cost of Caring Fund Project - 1 Yr.			\$ 332,561		\$ 74,826	\$ 257,735
2023-1357-Mini-01-09-23	Desert Recreation Foundation - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1333-BOD-01-24-23	Organizacion en California de Lideres Campesinas - Healthcare Equity for ECV Farmworker Women - 2 Yrs.			\$ 150,000		\$ 33,750	\$ 116,250
2023-1363-BOD-01-24-23	Pegasus Riding Academy - Pegasus Equine Assisted Therapy - 1 Yr.			\$ 60,092		\$ 27,040	\$ 33,052
2023-1375-Mini-01-30-23	California CareForce - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1374-Mini-02-10-23	Alianza Nacional De Campesinas, Inc - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1373-Mini-02-14-23	Palms To Pines Parasports - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1370-Mini-02-15-23	HIV+ Aging Research Project-Palm Springs - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1372-BOD-02-28-23	Reynaldo J. Carreon MD Foundation - Dr. Carreon Scholarship Program - 1 Yr.			\$ 50,000		\$ 22,500	\$ 27,500
TOTAL GRANTS		\$ 16,670,644	\$ 10,552,067	\$ 3,206,922	\$ 5,252,600	\$ 877,184	\$ 7,629,205
Amts available/remaining for Grant/Programs - FY 2022-23:							
Amount budgeted 2022-2023			\$ 4,000,000			G/L Balance:	4/30/2023
Amount granted through April 30, 2023:			\$ (3,206,922)			2131	\$ 4,109,205
Financial Audits of Non-Profits; Organizational Assessments			\$ -			2281	\$ 3,520,000
Net adj - Grants not used: FY 21-22 Funds			\$ 2,566,566				
Matching external grant contributions			\$ -			Total	\$ 7,629,205
Balance available for Grants/Programs			\$ 3,359,644				\$ 0
* 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
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
May 10, 2023

Directors Present	District Staff Present	Absent
Chair/Treasurer Arthur Shorr Vice-President Carmina Zavala, PsyD Director Leticia De Lara, MPA	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Eric Taylor, Accounting Manager	Andrea S. Hayles, Board Relations Officer

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Shorr called the meeting to order at 5:05 p.m.	
II. Approval of Agenda	Chair Shorr asked for a motion to approve the agenda.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the agenda. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting April 12, 2023	Chair Shorr motioned to approve the April 12, 2023, meeting minutes.	Moved and seconded by Director Shorr and Vice-President Zavala to approve the April 12, 2023, meeting minutes. Motion passed unanimously.
V. CEO Report	There was no CEO Report.	
VI. Chief Administration Officer's Report	Chris Christensen, CAO, described the FY 23-24 annual budget for presenting later in the meeting, the commencement of the annual audit interim field work the week of May 22, and the year-end field work the first week of August. Mr. Christensen described the three rent ready vacant suites at the Las Palmas Medical Plaza, and the letters of intent coinciding with each vacant suite, including 2W102 – Dr. Howard Aaron Aronow eligible to fill the vacancy. The draft	

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
May 10, 2023**

	<p>lease is not available in time for the committee’s review but will be presented for approval at the May 23 Board meeting, further describing the lease terms.</p>	
<p>VII. Financial Reports</p> <ol style="list-style-type: none"> 1. District and LPMP Financial Statements 2. Accounts Receivable Aging Summary 3. District – Deposits 4. District – Property Tax Receipts 5. LPMP Deposits 6. District – Check Register 7. Credit Card – Detail of Expenditures 8. LPMP – Check Register 9. Retirement Protection Plan Update 10. Grant Payment Schedule 	<p>Chair Shorr reviewed the April financials with the committee inquiring about the variance analysis. The income YTD actual compared to the budget exceeds \$1.2M, with \$963k higher property tax revenues than projected. The higher interest income and market fluctuations on the investment account doesn’t include a significant loss as planned, with \$261k above budget.</p> <p>Mr. Christensen, CAO, also described the accumulative impact of the profit and loss budget versus the actual carryover of \$2.6M in grants from last year’s plus the \$4M budgeted in the current year awarding grants exceeding the carryover of \$2.6M and awarding \$640k YTD of the \$4M. \$1.2M in grants will be presented for Board approval from the Program Committee.</p>	<p>Moved and seconded by Director De Lara and Director Shorr to approve the April 2023 financials – items 1-10 and forward to the Board for approval. Motion passed unanimously.</p>
<p>VIII. Other Matters</p> <ol style="list-style-type: none"> 1. Las Palmas Medical Plaza Security Plan – Green Security Solutions Proposal NTE \$144,000 Annually 	<p>Chris Christensen, CAO, described the background on the security requirements and increased security on the weekends with a \$180k yearly</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve Las Palmas Medical Plaza Security Plan – Green Security Solutions Proposal NTE</p>

DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
May 10, 2023

<p>2. Addendum #4 to Consulting Services Agreement – Magdalena Martinez – HR Consultant – 3% increase - \$955/month</p> <p>3. FY23-24 Annual Budget (Draft) Review</p>	<p>increase. Green Security Solutions proposal would provide on-site personnel during high-risk hours and off-site live cameras during low-risk hours for \$144k annually while collaborating with INPRO Maintenance personnel.</p> <p>Chris Christensen, CAO, described the HR consultant addendum #4 agreement for increasing the monthly fee from \$927 to \$955, plus fees for special projects extending the service agreement period to June 30, 2024.</p> <p>Chris Christensen, CAO, provided an overview of the FY23-24 annual budget highlighting the Federal Reserve interest rate hikes and a conservative investment budget, a high anticipated property tax increase of 4% over the current projections, the La Palmas Medical Plaza projections of 96-100% occupancy rate and CAM revenue of \$.80 per sq. ft., salary and wages cost of living and merit increases, professional services consisting of seismic and the Desert Regional Medical Center lease renewal, grant-making budget of \$4M, grants income and expenses, investment income, and the Coachella Valley Equity Collaborative (CVEC)</p>	<p>\$144,000 Annually and forward to the Board for approval. Motion passed unanimously.</p> <p>Moved and seconded by Director De Lara and Director Shorr to approve Addendum #4 to Consulting Services Agreement – Magdalena Martinez – HR Consultant – 3% increase - \$955/month and forward to the Board for approval. Motion passed unanimously.</p> <p>Moved and seconded by Director Shorr and Director De Lara to approve the FY23-24 Annual Budget with staff’s evaluation of the Coachella Valley Equity Collaborative (CVEC) program needs of the annual recognition event and promptly develop planning to coordinate the expenses with the budget surplus and forward to the Board for approval. Motion passed unanimously.</p>
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DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
May 10, 2023

	<p>administrative and yearly event expenses.</p> <p>The committee discussed the \$130k for the annual CVEC recognition event directing staff to begin planning ahead to prevent any delays in the timeline, which provides the Board ample time to discuss and present any adjustments.</p> <p>Mr. Christensen highlighted the accounting change in last year’s audit related to the grant expenses, describing the expenses previously recognized in later years, but are currently expensed when grants are awarded; thus, the grant expense will be higher at \$2.6M with no offset in revenue. As a result, the District’s net income is \$757k and the Foundation’s net loss \$1.1M.</p> <p>The committee inquired about the cost of living (COLA) adjustment, which, up until last year, was not budgeted in the past decade, with Mr. Christensen providing clarification on the differences between the percentages of the COLA and merit increases salary range adjustments.</p>	
<p>IX. Adjournment</p>	<p>Chair Shorr adjourned the meeting at 6:19 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>



**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
May 10, 2023**

ATTEST: _____
Arthur Shorr, Chair/Treasurer, Board of Directors
Finance & Administration Committee Member
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer

DRAFT



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: May 23, 2023
To: Board of Directors
Subject: Lease Agreement – Howard Aaron Aronow, M.D., Inc. 2W 102

Staff Recommendation: Consideration to approve the draft lease agreement for Howard Aaron Aronow, M.D., Inc. at the Las Palmas Medical Plaza.

Background:

- Howard Aaron Aronow, M.D. (Dr. Aronow) is a new proposed tenant at the Las Palmas Medical Plaza.
- This is a new lease in the 640 sq. ft. suite that was recently vacated.
- Dr. Aronow has requested a lease of two (2) years and three (3) months, with a base rent of \$1.80/square foot with three months' rent abatement and no tenant improvement allowance.
- Lease date June 1, 2023, with the commencement date of rent payments September 1, 2023 (3-month waiver).
- Dr. Aronow also requests one (1) two (2) year optional term.
- Annual increases for both the base and optional terms are the greater of 3% or CPI, not to exceed 5%.
- This lease terms were finalized after the May Finance & Administration Committee meeting, so it is being brought to the full board for approval to allow the start date of June 1, 2023.
- 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 - \$40,351.

Estimated Costs:

Broker Commission - \$1,684.

Net Lease Income (base lease) - \$38,667.

OFFICE BUILDING LEASE

Between

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

And

HOWARD AARON ARONOW, M.D., INC.

AS TENANT

DATED

JUNE 1, 2023

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DRAFT

OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as "Landlord", and Howard Aaron Aronow, M.D., Inc., doing business as Howard Aaron Aronow, M.D., hereinafter referred to as "Tenant", and is dated June 1, 2023.

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)*: \$ Thirteen Thousand, Eight Hundred Twenty-Four and 00/100 Dollars (\$13,824.00) per year.
- b. *Base Year*: The calendar year of September 1 to August 31.

- c. *Broker(s)*:

Landlord's: Coldwell Banker Commercial Lyle & Associates.

Tenant's: Coldwell Banker Commercial Lyle & Associates.

In the event that Coldwell Banker Commercial Lyle & Associates 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*: June 1, 2023.
- 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*: August 31, 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 102, Palm Springs, CA 92262.
- h. *Monthly Installments of Base Rent (initial)*: \$ One Thousand, One Hundred Fifty-Two and 00/100 Dollars (\$1,152.00) per month.
- i. *Project Operating Costs (CAMS)*: Currently Eighty Cents (\$.80) per square foot per month.

_____ District _____ Recipient

- j. *Tenant Improvement Allowance (TI)*: N/A.
- k. *Parking*: Tenant shall be permitted, to park 3 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 640 square feet of Rentable Area, located in Building 2W and known as Suite 102.
- 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)*: \$ One Thousand, Six Hundred Sixty-Four and 00/100 Dollars (\$1,664.00).
- 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 15 months. Future adjustments, if applied to Option Year Term, will occur every 12 months on the 1st of September.
- r. *Tenant's Proportionate Share*: 1.30%. 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.

_____ District _____ Recipient

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.

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

_____ District _____ Recipient

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.

_____ District _____ Recipient

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 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

_____ District _____ Recipient

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 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.

_____ District _____ Recipient

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.

11. 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.

_____ District _____ Recipient

- 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;

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- 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 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,

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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.

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- 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.

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- 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.

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 not 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

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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.

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.

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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.

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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 change 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

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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>Howard Aaron Aronow, M.D., Inc.</u>
	<u>dba: Las Palmas Medical Plaza</u>		<u>dba: Howard Aaron Aronow, M.D.</u>
By:	<u>Conrado Bárzaga</u>	By:	Howard Aaron Aronow, MD_
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.

_____ District _____ Recipient

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.

_____ District _____ Recipient

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 June 1, 2023, by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Howard Aaron Aronow, M.D., Inc., doing business as Howard Aaron Aronow, M.D., as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

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

- 1. Commencement Date: June 1, 2023
- 2. Expiration Date: August 31, 2025
- 3. Rent Schedule:

6/1/2023 – 8/31/2023	\$ 0.00	
9/1/2023 – 8/31/2024	\$1,152.00	
9/1/2024 – 5/31/2025	\$1,186.56	Greater of 3% or CPI, not to exceed 5%
- 4. CAMs: Currently \$.80 per square foot
- 5. Security Deposit: One Thousand, Six Hundred Sixty-Four and 00/100 Dollars (\$1,664.00).
- 6. Option Term: One (1) two (2) 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 and not to exceed five percent (5%), with the greater of three percent (3%) or CPI, not to exceed five percent (5%), annual increases thereafter.

The foregoing is hereby agreed to and accepted:

Date: _____

Date: _____

Landlord: Desert Healthcare District
dba: Las Palmas Medical Plaza

Tenant: Howard Aaron Aronow, M.D., Inc.
dba: Howard Aaron Aronow, M.D.

By: Conrado Bárzaga

By: Howard Aaron Aronow, M.D.

Signature: _____

Signature: _____

Title: CEO

Title: _____