



**DESERT HEALTHCARE DISTRICT
BOARD MEETING
Board of Directors
July 23, 2019
5:30 P.M.**

Regional Access Project (RAP) Foundation
Conference Room 103
41550 Eclectic Street
Palm Desert, CA 92260

This meeting is handicapped-accessible

Director Rogers – Video Conference – 13722 Washougal River Road, Washougal, WA

Page(s)	AGENDA	Item Type
	<i>Any item on the agenda may result in Board Action</i>	
	A. CALL TO ORDER – President Zendle, MD	
	Roll Call ____Director Shorr____Director Borja____Director PerezGil____ Director Rogers, RN____Director Matthews____ Vice-President/Secretary De Lara____President Zendle	
	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 the Board of Directors and will be enacted by one motion. <u>There will be no separate discussion of items unless a Board member so requests, in which event the item(s) will be considered following approval of the Consent Agenda.</u>	
5-12	1. BOARD MINUTES a. Board of Directors Meeting – June 25, 2019	
13-37	2. FINANCE AND ADMINISTRATION a. Approval of June 2019 Financial Statements (Preliminary) – F&A Approved July 9, 2019 3. AD HOC COMMITTEE ON BOARD AND STAFF COMMUNICATIONS AND POLICIES	



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38-41	a. Filling Vacancy on the Board – BOD-6	
42-44	b. Board Meetings – BOD-8	
45	c. Rules of Order for Board and Committee Meetings – BOD-9	
46-48	d. Board Meeting Conduct – BOD-10	
49-50	e. Minutes of Board Meetings – BOD-12	
51-53	f. Memberships in Organizations, Training, Education, Conferences, and Reimbursement procedures – BOD-13	
54	g. Ethics Training and Education Training relating to Workplace Harassment – BOD-14	
55-56	h. Compensation Policy – OP-12	
57-58	i. Financial Reserve Policy – FIN-06	
F. PRESENTATIONS		
59-77	1. Presentation, Jill Gover, Ph.D., Clinic Director, LGBTQ Community Center of the Desert – Health Assessment and Research for Communities (HARC) report deliverable for Grant #866 – Mental Health Counseling Services 2015-2018	Information
G. DESERT HEALTHCARE DISTRICT CEO REPORT		
	– Chris Christensen, Interim CEO	
78-79	1. Proposition 68 – Parks, Environment, and Water Bond	Information
80-87	2. National Innovative Communities Conference	Information
H. DESERT REGIONAL MEDICAL CENTER CEO REPORT		
	– Michele Finney, CEO	Information
I. DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD OF DIRECTORS' REPORT –		
	President Les Zendle, MD and Director Carole Rogers, RN	Information
J. 1. FINANCE, LEGAL ADMINISTRATION AND REAL ESTATE COMMITTEE – Chair/Treasurer Mark Matthews, Vice-President Leticia De Lara, and Director Arthur Shorr		
88-90	1. Meeting Minutes – July 9, 2019	Information
91-120	2. Consideration to Approve Las Palmas Medical Plaza	Action



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121-142	Desert Modern Landscape Architect Service Proposal 3. Consideration to approve Las Palmas Medical Plaza Lease Renewal – Brad A. Wolfson, MD – Suite 2W 102	Action
143-146	2. PROGRAM COMMITTEE – Chair/Director Carole Rogers, RN; Director Evett PerezGil; and Director Leticia De Lara	Information
147-153	1. Meeting Minutes – July 9, 2019 2. Grant Proposals Under Development	Information
154-156	3. AD HOC COMMITTEE ON BOARD AND STAFF COMMUNICATIONS AND POLICIES – Chair/Vice-President Leticia De Lara, President Les Zendle, MD; Director Evett PerezGil 1. Meeting Minutes – July 17, 2019	Information
157	K. AD HOC COMMITTEE – TENET HEALTHCARE LEASE – Chair/Treasurer Mark Matthews, Director Karen Borja, and Director Arthur Shorr	Information
158-171	1. Meeting Minutes – July 18, 2019 2. Tenet Healthcare Proposal	Information Information /Discussion
172-180	3. Consideration to approve Kaufman Hall & Associates Letter of Engagement	Action
181-189	L. OLD BUSINESS 1. Coachella Valley Association of Governments (CVAG) a. MOU memo regarding CV Link request for funding b. CV Link Q2 2019 Report	Information /Discussion
190-193	2. Communications and Marketing	Information
194		
195	M. NEW BUSINESS 1. Consideration to appoint Conrado Bárzaga, CEO, to the City of Desert Hot Springs – Health and Wellness Foundation Board	Action
	N. LEGAL COMMENTS & REPORT	



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**O. DIRECTORS' COMMENTS, REPORTS, INFORMATIONAL
ITEMS, & STAFF DIRECTION AND GUIDANCE**

P. ADJOURNMENT

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



**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
June 25, 2019**

Directors Present		District Staff Present	Absent
President Les Zendle, MD Vice-President/Secretary Leticia De Lara Director Carole Rogers Director Evett PerezGil Director Karen Borja Director Arthur Shorr		Chris Christensen, Interim CEO, CFO Donna Craig, Senior Program Officer Will Dean, Marketing and Communications Director Alejandro Espinoza, Program Officer and Outreach Director Andrea S. Hayles, Clerk of the Board <u>Legal Counsel</u> Jeff Scott	Treasurer Mark Matthews
AGENDA ITEMS	DISCUSSION	ACTION	
A. Call to Order	President Zendle called the meeting to order at 5:32 p.m.		
Roll Call	The Clerk of the Board called the roll with all Directors present except Director Matthews.		
B. Pledge of Allegiance	Director Shorr led the pledge of allegiance.		
C. Approval of Agenda	President Zendle asked for a motion to approve the agenda.	#20-13 MOTION WAS MADE by Director Rogers and seconded by Vice-President De Lara to approve the agenda. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0 ABSENT – 1 Director Matthews	
D. Public Comment	No public comment		
E. Consent Agenda a. Board Minutes a. Special Meeting of the Board Workshop – May 23, 2019 b. Special Meeting of the Board Closed	President Zendle explained the correction to motion #18-13 on the June 4, 2019 meeting minutes. The votes were recorded accurately; however, the motion stated passed unanimously, explaining that the appropriate modifications have been made to the minutes.	#20-14 MOTION WAS MADE by Director Shorr and seconded by Vice-President De Lara to approve the agenda with the correction to the minutes. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Rogers,	

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
June 25, 2019**

<p>Session – May 28, 2019</p> <p>c. Board of Directors Meeting – May 28, 2019</p> <p>d. Special Meeting of the Board – June 4, 2019</p> <p>e. Special Meeting of the Board – June 11, 2019</p> <p>f. Three (3) Month No-Cost Grant (#876) Extension ending September 30, 2019 – Arrowhead Neuroscience Foundation: Neuro Critical Care and Neuro Interventional Fellowship Program</p>		<p>Director PerezGil, Director Borja, and Director Shorr NOES – 0 ABSENT – 1 Director Matthews</p>
<p>F. Desert Healthcare District CEO Report</p>	<p>Chris Christensen, Interim CEO, explained that the Special District Risk Management Authority (SDRMA) has an election of directors' forthcoming and a vote by the District Board is optional for the SDRMA elections, noting that the election does not affect the insurance coverage.</p> <p>The Board advised staff that they will not participate in the SDRMA elections.</p> <p>The Leadership Council for Justice and Accountability that is advocating for AB 617 – Nonvehicular air pollution: criteria air pollutants and toxic air</p>	

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	<p>contaminants, requested the District's logo on their letter of support.</p> <p>The Association of California Healthcare Districts (ACHD) 67th Annual Meeting: Shaping Healthy Futures is October 9-11 in La Jolla. ACHD selected the District to present and highlight Desert Highland Gateway Estates and the Dream Homes neighborhood initiatives.</p> <p>President Zendle directed staff to provide the details to Andrea S. Hayles, Board Relations Officer, who will forward to the Board and determine availability for attendance.</p>	
G. Desert Regional Medical Center CEO Report	<p>Michele Finney, CEO, Desert Care Network, Desert Regional Medical Center (DRMC), described a slower volume of patients due to the summer months. There has been no change in the number of Emergency Room patients during the remodeling process, and the project is due for completion at the end of November. The Healthy Over Hungry cereal drive at DRMC received 5,500 boxes of cereal to serve thousands of families. Twenty-five (25) graduates completed the residency program – four (4) will continue with fellowship training and a few will remain in the community. DRMC sponsored the University of California Riverside (UCR) Family Residence program with three (3) residences remaining in the community and one (1) undecided.</p>	

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
June 25, 2019**

	<p>On July 7 several rooms and beds will be out of service in Sinatra 2 and 3. The area will undergo upgrades for isolation patients. The fire system upgrade is eighty-percent complete and 300 strobe lights will be replaced due to state requirements of synchronization. The nursing call system upgrades are underway; DRMC offered several classes throughout the month such as CPR and other health-related matters; and all elevators are operating other than Sinatra 5.</p>	
<p>H. Desert Regional Medical Center Governing Board of Directors Report</p>	<p>Director Rogers explained the role of the governing board describing a report and presentation from the Institute of Clinical Orthopedics and Neurosciences (ICON) on the services offered. An overview of the patient satisfaction quality report such as the California Department of Public Health and Leapfrog scores was provided. Updates on the ongoing audits were also presented to the governing board. The governing board reviewed patient grievances that are addressed and responded to within seven days. Credentialing and quality improvement were also reviewed and discussed at the monthly governing board meeting.</p>	
<p>I. 1. Finance, Legal, Administration, and Real Estate Committee a. Meeting Minutes – June 11, 2019</p>	<p>Vice-President De Lara provided an overview of the June meeting minutes explaining the underbudgeting for the investment income. The volunteer community member interviews will take place</p>	

**DESERT HEALTHCARE DISTRICT
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<p>2. Program Committee</p> <p>a. Meeting Minutes – June 11, 2019</p> <p>b. Grant Proposals Under Development</p> <p>c. Grant #1005 – Desert Healthcare Foundation – Homelessness Initiative Collective Fund - \$1,000,000</p> <p>d. Volunteer Community Member Appointment</p>	<p>in September, and the committee postponed the Las Palmas Plaza landscape project for additional bids.</p> <p>Director Rogers explained the June 11 meeting minutes and inquired about any questions concerning the grant proposals under development.</p> <p>Chris Christensen, Interim CEO, described the District and Foundation's \$2M Homelessness Initiative Collective Fund explaining that most of the funds assisted with the city matches that were dispersed to the Coachella Valley Association of Governments (CVAG) and City of Palm Springs. Staff is requesting to replenish the collective fund in the amount of \$1M.</p> <p>Director Rogers described the volunteer community member appointments and Allen Howe's appointment at the most recent meeting. There is a sixth community member — Dr. Christine Anderson — who has an interest and will serve on an alternate list as a volunteer community member.</p>	<p>#20-15 MOTION WAS MADE by Director Rogers and seconded by Vice-President De Lara to approve Grant #1005 – Desert Healthcare Foundation – Homelessness Initiative Collective Fund – \$1,000,000. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0 ABSENT – 1 Director Matthews</p> <p>#20-16 MOTION WAS MADE by Director Rogers and seconded by Director Borja to approve volunteer community member Allen Howe to the Program Committee. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0 ABSENT – 1 Director Matthews</p>
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**DESERT HEALTHCARE DISTRICT
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<p>3. Hospital Lease Oversight Committee</p> <p>a. Meeting Minutes – June 20, 2019</p> <p>b. 2Q 2019 Hospital Inspection – Desert Regional Medical Center</p>	<p>President Zendle explained the hospital inspection of the east tower, the Sinatra education center, and the roof of the tower. The minor repairs were described, with corrective measures in a timely manner.</p> <p>Director Rogers explained that it is not only identifying corrective measures but improvements that are in compliance with the lease.</p>	
<p>J. Old Business</p> <p>1. Census 2020 – Coachella Valley Regional Roundtable Update</p> <p>2. Nutrition Education and Obesity Prevention Branch (NEOPB) and Cal Fresh Program Updates</p> <p>3. Coachella Valley Association of Governments (CVAG) MOU regarding CV Link Funding</p>	<p>Chris Christensen, Interim CEO, described staff's work with the regional efforts of the census and various activities over the next several months, which may require financial support due to gaps in funding to complete the canvassing.</p> <p>Chris Christensen, Interim CEO, described the update in the packet on the processes of staff's role with the NEOPB and Cal Fresh programs, highlighting the scorecard from Riverside University Health Systems explaining the superb ratings on education, community events, policy systems, and environmental change.</p> <p>President Zendle explained the letter received from Tom Kirk, Executive Director, Coachella Valley Association of Governments (CVAG) to ensure the Board is aware of past developments and provide</p>	

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	<p>direction on the timeline and the next steps of CV Link.</p> <p>Chris Christensen, Interim CEO, outlined the MOU to bring the Board up to date and a request from CVAG to meet in the coming weeks to commence the work with staff on a grant proposal.</p> <p>Erica Felci, Governmental Projects Manager, Coachella Valley Association of Governments (CVAG), explained that CVAG is the lead agency for CV Link, described the background with the District as an initial supporter, and securing over \$100M for the project.</p> <p>Director Borja explained the expansion and the need for CV Link throughout the District boundaries. Additionally, Director Borja explained that the impact report illustrated that CV Link will not reduce air quality, and certain regions along the Link could add to the displacement of residents and business owners.</p> <p>President Zendle explained the clause for seismic issues if the capital is necessary for Desert Regional Medical Center.</p>	
K. New Business		
L. Legal Comments & Report	<p>Legal counsel Jeff Scott provided an update on ACA 1, the constitutional amendment that would allow cities, counties, and special districts to fund the construction and replacement of public infrastructure in the form of</p>	

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	general obligation bonds for approval by 55 percent of the voters instead of two-thirds. More details on the passage of the bill are forthcoming.	
M. Directors Comments, Reports, Informational Items, & Staff Direction and Guidance 1. Committee Roster & Assignments	<p>President Zendle explained that Director Shorr will serve on the F&A Committee and the Strategic Planning Committee.</p> <p>Vice-President De Lara described her time at Operation Swim with the Ready Set Swim program and the District's work to assist with scholarships and lifejackets. Coachella, Mecca, and Indio residents are also benefiting from the program.</p>	
N. Adjournment	President Zendle adjourned the meeting at 6:28 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents

ATTEST: _____
 Leticia De Lara, Vice-President/Secretary
 Desert Healthcare District Board of Directors

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

DESERT HEALTHCARE DISTRICT
JUNE 2019 FINANCIAL STATEMENTS
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Preliminary
Year to Date Variance Analysis
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Accounts Receivable Aging
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Property Tax Receipts - YTD
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Check Register - District
Credit Card Expenditures
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Grants Schedule

**DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
TWELVE MONTHS ENDED JUNE 30, 2019**

Scope: \$25,000 Variance per Statement of Operations Summary

Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
4000 - Income	\$ 8,957,928	\$ 6,761,184	\$ 2,196,744	Interest income (net) from FRF investments \$2,198k; lower NEOPB Grant Income \$15k, higher various \$13k.
4500 - LPMP	\$ 1,203,940	\$ 1,246,966	\$ (43,026)	Lower rental income \$26K; Lower CAM income \$16K; Lower Misc 1k
5000 - Direct Expenses	\$ 1,021,509	\$ 1,624,010	\$ (602,501)	Lower wage expense \$231k due to no CEO salary; lower health insurance related expenses \$48k; lower retirement plan expenses \$33k; lower Board healthcare costs \$79k; higher board stipend expense 19k; Budgeted 340k for election fees, invoiced only 109k creating a 231k difference.
6000-General & Admin Expense	\$ 472,461	\$ 614,016	\$ (141,555)	Lower East Valley office spend \$93k; lower LAFCO assessment expense \$22k; lower mileage reimbursement 8k; lower various \$19k.
6445 - LPMP Expense	\$ 903,983	\$ 1,009,242	\$ (105,259)	Lower lighting expense \$33K; Lower landscaping expense \$24K; Lower marketing/advertising 18k; Lower Deferred Maintenance expense 9k; Lower various net \$21K
6500 - Professional Fees Expense	\$ 782,889	\$ 882,992	\$ (100,103)	Lower Communications & Marketing expense \$167k; higher Legal Expense of \$56k; Higher general professional fees 11k
6700 - Trust Expenses	\$ 125,016	\$ 250,266	\$ (125,250)	RPP actuarial valuation required lower monthly expense accrual
7000 - Grants Expense	\$ 3,632,670	\$ 3,590,004	\$ 42,666	Budget of \$3.5 Million for fiscal year is amortized straight-line over 12-month fiscal year.

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

Preliminary	MONTH			TOTAL		
	Jun 19	Budget	\$ Over Budget	Jul '18 - Jun 19	Budget	\$ Over Budget
Income						
4000 · Income	847,422	563,432	283,990	8,957,928	6,761,184	2,196,744
4500 · LPMP Income	101,823	106,582	(4,759)	1,203,940	1,246,966	(43,026)
4501 · Miscellaneous Income	750	950	(200)	11,387	11,400	(13)
Total Income	949,995	670,964	279,031	10,173,255	8,019,550	2,153,705
Expense						
5000 · Direct Expenses	42,061	176,059	(133,998)	1,021,509	1,624,010	(602,501)
6000 · General & Administrative Exp	37,718	61,251	(23,533)	472,461	614,016	(141,555)
6325 · CEO Discretionary Fund	-	417	(417)	450	5,004	(4,554)
6445 · LPMP Expenses	65,351	85,237	(19,886)	903,983	1,009,242	(105,259)
6500 · Professional Fees Expense	59,793	73,583	(13,790)	782,889	882,992	(100,103)
6700 · Trust Expenses	10,418	20,587	(10,169)	125,016	250,266	(125,250)
Total Expense Before Grants	215,341	417,135	(201,794)	3,306,298	4,385,531	(1,079,233)
7000 · Grants Expense	1,005,964	299,167	706,797	3,632,670	3,590,004	42,666
Net Income	(271,309)	(45,340)	(225,969)	3,234,278	44,013	3,190,265

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

Preliminary	MONTH			TOTAL		
	Jun 19	Budget	\$ Over Budget	Jul '18 - Jun 19	Budget	\$ Over Budget
Income						
4000 · Income						
4010 · Property Tax Revenues	550,348	550,348	-	6,604,176	6,604,176	-
4200 · Interest Income						
4220 · Interest Income (FRF)	130,148	104,000	26,148	1,323,169	1,248,000	75,169
9999-1 · Unrealized gain(loss) on invest	157,519	(100,000)	257,519	922,785	(1,200,000)	2,122,785
Total 4200 · Interest Income	287,667	4,000	283,667	2,245,954	48,000	2,197,954
4300 · DHC Recoveries	1,749	1,583	166	32,751	18,996	13,755
4400 · Grant Income	7,658	7,500	158	75,048	90,000	(14,952)
Total 4000 · Income	847,422	563,431	283,991	8,957,929	6,761,172	2,196,757
4500 · LPMP Income	101,823	106,581	(4,758)	1,203,943	1,246,956	(43,013)
4501 · Miscellaneous Income	750	950	(200)	11,387	11,400	(13)
Total Income	949,995	670,962	279,033	10,173,259	8,019,528	2,153,731
Expense						
5000 · Direct Expenses						
5100 · Administration Expense						
5110 · Wages Expense	50,559	123,071	(72,512)	835,729	1,066,612	(230,883)
5111 · Allocation to LPMP - Payroll	(4,420)	(4,420)	-	(53,040)	(53,040)	-
5112 · Vacation/Sick/Holiday Expense	2,784	6,923	(4,139)	92,841	90,000	2,841
5114 · Allocation to Foundation	(17,668)	(17,668)	-	(212,016)	(212,016)	-
5115 · Allocation to NEOPB	(6,819)	(7,797)	978	(65,110)	(93,564)	28,454
5119 · Allocation to RSS/CVHIP-DHCF	(1,028)	-	(1,028)	(18,953)	-	(18,953)
5120 · Payroll Tax Expense	3,953	9,415	(5,462)	65,951	81,600	(15,649)
5130 · Health Insurance Expense						
5131 · Premiums Expense	1,749	12,182	(10,433)	120,024	141,702	(21,678)
5135 · Reimb./Co-Payments Expense		2,500	(2,500)	4,181	30,000	(25,819)
Total 5130 · Health Insurance Expense	1,749	14,682	(12,933)	124,205	171,702	(47,497)
5140 · Workers Comp. Expense	643	1,292	(649)	8,409	11,194	(2,785)
5145 · Retirement Plan Expense	4,968	9,969	(5,001)	47,285	80,673	(33,388)
5160 · Education Expense	128	625	(497)	3,241	7,500	(4,259)
Total 5100 · Administration Expense	34,849	136,092	(101,243)	828,542	1,150,661	(322,119)
5200 · Board Expenses						
5210 · Healthcare Benefits Expense						
5211 · Health Insurance Expense	(1,177)	9,355	(10,532)	39,127	96,000	(56,873)
5224 · Retired Board - Medical Expense		1,237	(1,237)	2,775	24,844	(22,069)
Total 5210 · Healthcare Benefits Expense	(1,177)	10,592	(11,769)	41,902	120,844	(78,942)
5230 · Meeting Expense	2,611	667	1,944	16,419	8,004	8,415
5235 · Director Stipend Expense	4,700	-	4,700	18,600	-	18,600
5240 · Catering Expense	1,058	333	725	5,011	3,996	1,015
5250 · Mileage Reimbursement Expense	18	42	(24)	1,673	504	1,169
5270 · Election Fees Expense		28,333	(28,333)	109,347	339,996	(230,649)
Total 5200 · Board Expenses	7,210	39,967	(32,757)	192,952	473,344	(280,392)
Total 5000 · Direct Expenses	42,059	176,059	(134,000)	1,021,494	1,624,005	(602,511)
6000 · General & Administrative Exp						
6110 · Payroll fees Expense	155	292	(137)	1,968	3,504	(1,536)
6120 · Bank and Investment Fees Exp	9,222	9,833	(611)	112,676	117,996	(5,320)

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

Preliminary	MONTH			TOTAL		
	Jun 19	Budget	\$ Over Budget	Jul '18 - Jun 19	Budget	\$ Over Budget
6125 • Depreciation Expense	998	1,181	(183)	13,335	14,172	(837)
6126 • Depreciation-Solar Parking lot	15,072	15,072	-	180,864	180,864	-
6130 • Dues and Membership Expense	1,086	2,275	(1,189)	24,593	27,300	(2,707)
6200 • Insurance Expense	1,412	917	495	17,144	11,004	6,140
6300 • Minor Equipment Expense	-	42	(42)	-	504	(504)
6305 • Auto Allowance & Mileage Exp	-	1,017	(1,017)	4,595	12,204	(7,609)
6306 • Staff- Auto Mileage reimb	961	313	648	5,537	3,756	1,781
6309 • Personnel Expense	-	104	(104)	53	1,248	(1,195)
6310 • Miscellaneous Expense	71	42	29	171	504	(333)
6311 • Cell Phone Expense	462	777	(315)	7,469	9,324	(1,855)
6312 • Wellness Park Expenses	-	167	(167)	-	2,004	(2,004)
6315 • Security Monitoring Expense	-	36	(36)	353	432	(79)
6340 • Postage Expense	150	542	(392)	2,771	6,504	(3,733)
6350 • Copier Rental/Fees Expense	394	458	(64)	4,714	5,496	(782)
6351 • Travel Expense	1,577	917	660	8,562	11,004	(2,442)
6352 • Meals & Entertainment Exp	167	417	(250)	4,778	5,004	(226)
6355 • Computer Services Expense	1,182	3,352	(2,170)	34,908	40,224	(5,316)
6360 • Supplies Expense	2,776	1,833	943	23,660	21,996	1,664
6380 • LAFCO Assessment Expense	1,484	5,167	(3,683)	17,808	40,002	(22,194)
6400 • East Valley Office						
6405 • East Valley Office - Rent	550	9,167	(8,617)	3,300	55,002	(51,702)
6410 • East Valley Office - Utilities		7,333	(7,333)	3,203	43,998	(40,795)
Total 6400 • East Valley Office	550	16,500	(15,950)	6,503	99,000	(92,497)
Total 6000 • General & Administrative Exp	37,719	61,254	(23,535)	472,462	614,046	(141,584)
6325 • CEO Discretionary Fund	-	417	(417)	450	5,004	(4,554)
6445 • LPMP Expenses	65,350	85,235	(19,885)	903,985	1,009,218	(105,233)
6500 • Professional Fees Expense						
6516 • Professional Services Expense	40,368	39,167	1,201	480,794	470,004	10,790
6520 • Annual Audit Fee Expense	1,492	1,499	(7)	17,904	17,988	(84)
6530 • PR/Communications/Website	1,118	17,917	(16,799)	48,357	215,004	(166,647)
6560 • Legal Expense	16,816	15,000	1,816	235,836	180,000	55,836
Total 6500 • Professional Fees Expense	59,794	73,583	(13,789)	782,891	882,996	(100,105)
6700 • Trust Expenses						
6711 • Disability Admin. Fee Expense	-	-	-	-	3,222	(3,222)
6720 • Pension Plans Expense						
6721 • Legal Expense	-	167	(167)		2,004	(2,004)
6725 • RPP Pension Expense	10,000	20,000	(10,000)	120,000	240,000	(120,000)
6728 • Pension Audit Fee Expense	418	420	(2)	5,016	5,040	(24)
Total 6720 • Pension Plans Expense	10,418	20,587	(10,169)	125,016	247,044	(122,028)
Total 6700 • Trust Expenses	10,418	20,587	(10,169)	125,016	250,266	(125,250)
Total Expense Before Grants	215,340	417,135	(201,795)	3,306,298	4,385,531	(1,079,233)
7000 • Grants Expense						
7010 • Major Grant Awards Expense	998,306	291,667	706,639	3,557,621	3,500,004	57,617
7027 • Grant Exp - NEOPB	7,658	7,500	158	75,048	90,000	(14,952)
Total 7000 • Grants Expense	1,005,964	299,167	706,797	3,632,669	3,590,004	42,665
Net Income	(271,309)	(45,340)	(225,969)	3,234,278	44,013	3,190,265

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

Preliminary	MONTH			TOTAL		
	Jun 19	Budget	\$ Over Budget	Jul '18 - Jun 19	Budget	\$ Over Budget
Income						
4500 · LPMP Income						
4505 · Rental Income	73,276	76,024	(2,748)	863,598	889,860	(26,262)
4510 · CAM Income	28,547	30,474	(1,927)	340,345	356,100	(15,755)
4513 · Misc. Income	-	83	(83)	-	996	(996)
4500 · LPMP Income	101,823	106,581	(4,758)	1,203,943	1,246,956	(43,013)
Expense						
6445 · LPMP Expenses						
6420 · Insurance Expense	1,283	1,083	200	15,396	12,996	2,400
6425 · Building - Depreciation Expense	20,647	22,019	(1,372)	249,447	264,228	(14,781)
6426 · Tenant Improvements -Dep Exp	10,926	17,120	(6,194)	193,428	191,838	1,590
6427 · HVAC Maintenance Expense	3,207	1,333	1,874	16,428	15,996	432
6428 · Roof Repairs Expense	-	208	(208)	-	2,496	(2,496)
6431 · Building -Interior Expense	-	208	(208)	12,212	2,496	9,716
6432 · Plumbing -Interior Expense	750	208	542	4,661	2,496	2,165
6433 · Plumbing -Exterior Expense	-	208	(208)	-	2,496	(2,496)
6434 · Allocation Internal Prop. Mgmt	4,420	4,420	-	53,040	53,040	-
6435 · Bank Charges	1,085	917	168	12,602	11,004	1,598
6437 · Utilities -Vacant Units Expense	116	208	(92)	1,871	2,496	(625)
6439 · Deferred Maintenance Repairs Ex	-	1,000	(1,000)	2,974	12,000	(9,026)
6440 · Professional Fees Expense	10,117	10,472	(355)	121,404	125,664	(4,260)
6441 · Legal Expense	-	83	(83)	-	996	(996)
6458 · Elevators - R & M Expense	219	1,000	(781)	11,864	12,000	(136)
6460 · Exterminating Service Expense	180	417	(237)	1,980	5,004	(3,024)
6463 · Landscaping Expense	-	2,250	(2,250)	3,100	27,000	(23,900)
6467 · Lighting Expense	-	2,917	(2,917)	2,250	35,004	(32,754)
6468 · General Maintenance Expense	-	83	(83)	-	996	(996)
6471 · Marketing-Advertising	-	1,458	(1,458)	-	17,496	(17,496)
6475 · Property Taxes Expense	3,831	6,000	(2,169)	69,831	72,000	(2,169)
6476 · Signage Expense	-	250	(250)	116	3,000	(2,884)
6480 · Rubbish Removal Medical Waste E	1,408	1,442	(34)	16,035	17,304	(1,269)
6481 · Rubbish Removal Expense	-	2,123	(2,123)	23,353	25,476	(2,123)
6482 · Utilities/Electricity/Exterior	385	708	(323)	5,172	8,496	(3,324)
6484 · Utilities - Water (Exterior)	329	583	(254)	8,119	6,996	1,123
6485 · Security Expenses	6,447	6,417	30	78,480	77,004	1,476
6490 · Miscellaneous Expense	-	100	(100)	222	1,200	(978)
6445 · LPMP Expenses	65,350	85,235	(19,885)	903,985	1,009,218	(105,233)
Net Income	36,473	21,346	15,127	299,958	237,738	62,220

Desert Healthcare District
Balance Sheet
As of June 30, 2019

Preliminary		Jun 30, 19
ASSETS		
Current Assets		
Checking/Savings		
	1000 · CHECKING CASH ACCOUNTS	2,049,742
	1100 · INVESTMENT ACCOUNTS	58,231,372
	Total Checking/Savings	60,281,114
	Accounts Receivable	16,550
Other Current Assets		
	1270 · Prepaid Insurance -Ongoing	46,333
	1279 · Pre-Paid Fees	9,550
	1281 · NEOPB Receivable	16,906
	1295 · Property Tax Receivable	(214,365)
	Total Other Current Assets	(141,577)
	Total Current Assets	60,156,087
Fixed Assets		
	1300 · FIXED ASSETS	4,902,101
	1335-00 · ACC DEPR	(1,813,287)
	1400 · LPMP Assets	7,193,003
	Total Fixed Assets	10,281,816
Other Assets		
	1700 · OTHER ASSETS	2,773,786
TOTAL ASSETS		73,211,689
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
	2000 · Accounts Payable	95,477
	2001 · LPMP Accounts Payable	2,513
	Total Accounts Payable	97,990
Other Current Liabilities		
	2003 · Prepaid Rents	10,009
	2131 · Grant Awards Payable	2,673,506
	2133 · Accrued Accounts Payable	203,674
	2141 · Accrued Vacation Time	31,110
	2152 · 457B/401A Liability	4,245

Desert Healthcare District
Balance Sheet
As of June 30, 2019

Preliminary		Jun 30, 19
	2186 · Retired BOD Medical - Current	9,067
	2188 · Current Portion - LTD	14,803
	2190 · Investment Fees Payable	27,041
	Total Other Current Liabilities	2,973,456
	Total Current Liabilities	3,071,446
	Long Term Liabilities	
	2170 · RPP - Pension Liability	3,397,793
	2171 · RPP-Deferred Inflows-Resources	2,222,190
	2280 · Long-Term Disability	36,940
	2281 · Grants Payable - Long-term	10,147,646
	2286 · Retirement BOD Medical Liabilit	87,973
	2290 · LPMP Security Deposits	58,517
	Total Long Term Liabilities	15,951,059
	Total Liabilities	19,022,505
	Equity	
	3900 · *Retained Earnings	50,954,906
	Net Income	3,234,278
	Total Equity	54,189,184
	TOTAL LIABILITIES & EQUITY	73,211,689

Desert Healthcare District
Balance Sheet
As of June 30, 2019

Preliminary				Jun 30, 19
ASSETS				
Current Assets				
Checking/Savings				
1000 · CHECKING CASH ACCOUNTS				
1010 · Union Bank - Checking				1,990,824
1046 · Las Palmas Medical Plaza				58,418
1047 · Petty Cash				500
Total 1000 · CHECKING CASH ACCOUNTS				2,049,742
1100 · INVESTMENT ACCOUNTS				
1130 · Facility Replacement Fund				58,006,487
1135 · Unrealized Gain(Loss) FRF				224,885
Total 1100 · INVESTMENT ACCOUNTS				58,231,372
Total Checking/Savings				60,281,114
Accounts Receivable				16,550
Other Current Assets				
1270 · Prepaid Insurance -Ongoing				46,333
1279 · Pre-Paid Fees				9,550
1281 · NEOPB Receivable				16,906
1295 · Property Tax Receivable				(214,365)
Total Other Current Assets				(141,577)
Total Current Assets				60,156,087
Fixed Assets				
1300 · FIXED ASSETS				
1310 · Computer Equipment				82,971
1315 · Computer Software				68,770
1320 · Furniture and Fixtures				33,254
1325 · Offsite Improvements				300,849
1331 · DRMC - Parking lot				4,416,257
Total 1300 · FIXED ASSETS				4,902,101
1335-00 · ACC DEPR				

Desert Healthcare District
Balance Sheet
As of June 30, 2019

Preliminary			Jun 30, 19
		1335 · Accumulated Depreciation	(206,014)
		1336 · Acc. Software Depreciation	(68,191)
		1337 · Accum Deprec- Solar Parking Lot	(1,416,939)
		1338 · Accum Deprec - LPMP Parking Lot	(122,143)
		Total 1335-00 · ACC DEPR	(1,813,287)
		1400 · LPMP Assets	
		1401 · Building	8,705,680
		1402 · Land	2,165,300
		1403 · Tenant Improvements -New	2,168,091
		1404 · Tenant Improvements - CIP	129,550
		1406 · Building Improvements	
		1406.1 · LPMP-Replace Parking Lot	676,484
		1406 · Building Improvements - Other	1,559,534
		Total 1406 · Building Improvements	2,236,018
		1407 · Building Equipment Improvements	350,663
		1409 · Accumulated Depreciation	
		1410 · Accum. Depreciation	(7,169,899)
		1412 · T I Accumulated Dep.-New	(1,392,401)
		Total 1409 · Accumulated Depreciation	(8,562,300)
		Total 1400 · LPMP Assets	7,193,003
		Total Fixed Assets	10,281,816
		Other Assets	
		1700 · OTHER ASSETS	
		1731 · Wellness Park	1,693,800
		1740 · RPP-Deferred Outflows-Resources	1,057,842
		1741 · OPEB-Deferred Outflows-Resourc	22,144
		Total 1700 · OTHER ASSETS	2,773,786
		TOTAL ASSETS	73,211,689
		LIABILITIES & EQUITY	
		Liabilities	

Desert Healthcare District
Balance Sheet
As of June 30, 2019

Preliminary			Jun 30, 19
		Current Liabilities	
		Accounts Payable	
		2000 · Accounts Payable	95,477
		2001 · LPMP Accounts Payable	2,513
		Total Accounts Payable	97,990
		Other Current Liabilities	
		2003 · Prepaid Rents	10,009
		2131 · Grant Awards Payable	2,673,506
		2133 · Accrued Accounts Payable	203,674
		2141 · Accrued Vacation Time	31,110
		2152 · 457B/401A Liability	4,245
		2186 · Retired BOD Medical - Current	9,067
		2188 · Current Portion - LTD	14,803
		2190 · Investment Fees Payable	27,041
		Total Other Current Liabilities	2,973,456
		Total Current Liabilities	3,071,446
		Long Term Liabilities	
		2170 · RPP - Pension Liability	3,397,793
		2171 · RPP-Deferred Inflows-Resources	2,222,190
		2280 · Long-Term Disability	36,940
		2281 · Grants Payable - Long-term	10,147,646
		2286 · Retirement BOD Medical Liabilit	87,973
		2290 · LPMP Security Deposits	58,517
		Total Long Term Liabilities	15,951,059
		Total Liabilities	19,022,505
		Equity	
		3900 · *Retained Earnings	50,954,906
		Net Income	3,234,278
		Total Equity	54,189,184
		TOTAL LIABILITIES & EQUITY	73,211,689

Desert Healthcare District
A/R Aging Summary
As of June 30, 2019

Preliminary							
	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	
Mark Matthews	2,165	2,165	2,165	2,165	4,138	12,800	Director Insurance
Sovereign	750	750	-	750	1,500	3,750	Slow Pay
TOTAL	2,915	2,915	2,165	2,915	5,638	16,550	

Desert Healthcare District
Deposit Detail
June 2019

Preliminary			
Type	Date	Name	Amount
Deposit	06/04/2019		3,953
		Jewish Family Service of the Desert (Unused Grant Funds)	(3,203)
Payment	06/04/2019	Sovereign	(750)
TOTAL			(3,953)
Deposit	06/04/2019		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)
Deposit	06/06/2019		1,436,627
		Riverside County Treasurer-	(1,436,627)
TOTAL			(1,436,627)
Deposit	06/17/2019		6,338
		Riverside County Treasurer-	(6,338)
TOTAL			(6,338)
Deposit	06/18/2019		14,102
		Riverside County Treasurer-NEOPB	(7,245)
		Riverside County Treasurer-NEOPB	(6,858)
TOTAL			(14,103)
Deposit	06/24/2019		7,123
		Riverside County Treasurer-NEOPB	(7,123)
TOTAL			(7,123)
Deposit	06/26/2019		96,069
Payment	06/26/2019	Desert Healthcare Foundation-	(96,069)
TOTAL			(96,069)

Desert Healthcare District
Deposit Detail
June 2019

Type	Date	Name	Amount
Deposit	06/28/2019		27,034
		Riverside County Treasurer-	(27,034)
TOTAL			(27,034)
		Total Deposits	1,592,995

DESERT HEALTHCARE DISTRICT											
PROPERTY TAX RECEIPTS FY 2018 - 2019											
RECEIPTS - TWELVE MONTHS ENDED JUNE 30, 2019											
	FY 2017-2018 Projected/Actual						FY 2018-2019 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance		Budget %	Budget \$	Act %	Actual Receipts	Variance
July	2.5%	\$ 157,242	1.3%	\$ 107,591	\$ (49,652)		2.5%	\$ 165,105	1.3%	\$ 87,106	\$ (77,998)
Aug	1.6%	\$ 100,635	1.7%	\$ 76,625	\$ (24,010)		1.6%	\$ 105,667	1.3%	\$ 88,674	\$ (16,993)
Sep	2.6%	\$ 163,532	2.4%	\$ 149,702	\$ (13,830)		2.6%	\$ 171,709	2.4%	\$ 155,626	\$ (16,083)
Oct	0.0%	\$ -	0.0%	\$ -	\$ -		0.0%	\$ -	0.0%	\$ -	\$ -
Nov	0.4%	\$ 25,159	0.0%	\$ 47,069	\$ 21,910		0.4%	\$ 26,417	0.0%	\$ -	\$ (26,417)
Dec	16.9%	\$ 1,062,958	17.6%	\$ 1,121,658	\$ 58,700		16.9%	\$ 1,116,106	17.8%	\$ 1,177,161	\$ 61,054
Jan	31.9%	\$ 2,006,413	33.0%	\$ 2,097,033	\$ 90,621		31.9%	\$ 2,106,733	19.7%	\$ 1,299,278	\$ (807,456)
Feb	0.0%	\$ -	0.8%	\$ 50,855	\$ 50,855		0.0%	\$ -	13.9%	\$ 918,846	\$ 918,846
Mar	0.3%	\$ 18,869	0.2%	\$ 14,782	\$ (4,087)		0.3%	\$ 19,813	0.7%	\$ 44,532	\$ 24,719
Apr	5.5%	\$ 345,933	5.8%	\$ 371,495	\$ 25,562		5.5%	\$ 363,230	5.9%	\$ 392,745	\$ 29,515
May	19.9%	\$ 1,251,649	19.9%	\$ 1,258,864	\$ 7,215		19.9%	\$ 1,314,232	20.3%	\$ 1,341,271	\$ 27,039
June	18.4%	\$ 1,157,304	16.8%	\$ 1,319,289	\$ 161,985		18.4%	\$ 1,215,169	22.3%	\$ 1,470,000	\$ 254,830
Total	100%	\$ 6,289,695	99.6%	\$ 6,614,963	\$ 325,268		100.00%	\$ 6,604,180	105.6%	\$ 6,975,238	\$ 371,058

Las Palmas Medical Plaza
Deposit Detail - LPMP
June 2019

Preliminary			
Type	Date	Name	Amount
Deposit	06/03/2019		3,854
Payment	06/03/2019	Quest Diagnostics Incorporated	(3,854)
TOTAL			(3,854)
Deposit	06/04/2019		48,735
Payment	06/04/2019	EyeCare Services Partners Management LLC	(6,159)
Payment	06/04/2019	Desert Oasis Healthcare Medical Group	(2,130)
Payment	06/04/2019	Desert Regional Medical Center	(4,903)
Payment	06/04/2019	Tenet HealthSystem Desert, Inc.	(28,052)
Payment	06/04/2019	Tenet HealthSystem Desert, Inc	(5,543)
Payment	06/04/2019	West Pacific Medical Laboratory	(1,947)
TOTAL			(48,735)
Deposit	06/05/2019		24,205
Payment	06/05/2019	Derakhsh Fozouni, M.D.	(5,841)
Payment	06/05/2019	Palmtree Clinical Research	(6,217)
Payment	06/05/2019	Ramy Awad, M.D.	(3,180)
Payment	06/05/2019	Aijaz Hashmi, M.D., Inc.	(2,745)
Payment	06/05/2019	Brad A. Wolfson, M.D.	(3,387)
Payment	06/05/2019	Cure Cardiovascular Consultants	(2,837)
TOTAL			(24,205)
Deposit	06/05/2019		106
Payment	06/05/2019	Ramy Awad, M.D. - Utilities Reimbursement	(106)
TOTAL			(106)
Deposit	06/10/2019		8,782
		Stericycle, Inc.	(43)

Las Palmas Medical Plaza
Deposit Detail - LPMP
June 2019

Type	Date	Name	Amount
Payment	06/10/2019	Desert Family Medical Center	(3,493)
Payment	06/10/2019	Pathway Pharmaceuticals, Inc.	(2,249)
Payment	06/10/2019	Peter Jamieson, M.D.	(2,997)
TOTAL			(8,782)
Deposit	06/18/2019		6,208
Payment	06/18/2019	Cohen Musch Thomas Medical Group	(3,470)
Payment	06/18/2019	Dennis Spurgin, D.C.	(2,738)
TOTAL			(6,208)
Deposit	06/24/2019		4,774
Payment	06/24/2019	Laboratory Corporation of America	(4,774)
TOTAL			(4,774)
		Total Deposits	96,663

Desert Healthcare District
Check Register
June 2019

Preliminary					
Type	Date	Num	Name	Amount	
1000 · CHECKING CASH ACCOUNTS					
1010 · Union Bank - Checking					
General Journal	06/03/2019	12-01	401a payment - 5/31/19 payroll	(1,732)	
General Journal	06/03/2019	12-01	457b payment - 5/31/19 payroll	(2,539)	
Bill Pmt -Check	06/04/2019	15460	Andrea S. Hayles-	(114)	
Bill Pmt -Check	06/04/2019	15461	Blackbaud, Inc.	(16,400)	
Bill Pmt -Check	06/04/2019	15462	Chris Christensen	(72)	
Bill Pmt -Check	06/04/2019	15463	Cooperative Personnel Services	(8,056)	
Bill Pmt -Check	06/04/2019	15464	Evet PerezGil - May Stipend	(500)	
Bill Pmt -Check	06/04/2019	15465	Image Source	(718)	
Bill Pmt -Check	06/04/2019	15466	KaufmanHall	(32,466)	
Bill Pmt -Check	06/04/2019	15467	Leticia De Lara - May Stipend	(500)	
Bill Pmt -Check	06/04/2019	15468	Peter Young.	(6,063)	
Bill Pmt -Check	06/04/2019	15469	Principal Life Insurance Co.	(874)	
Bill Pmt -Check	06/04/2019	15470	Ready Refresh	(48)	
Bill Pmt -Check	06/04/2019	15471	Regents - University of California	(268)	
Bill Pmt -Check	06/04/2019	15472	Shred-It	(90)	
Bill Pmt -Check	06/04/2019	15473	So.Cal Computer Shop	(730)	
Bill Pmt -Check	06/04/2019	15474	Underground Service Alert of Southern Cal	(2)	
Bill Pmt -Check	06/04/2019	15475	Verizon Wireless	(674)	
Bill Pmt -Check	06/04/2019	15476	Zendle, Les- May Stipend, Mileage & Exp Reimb	(599)	
General Journal	06/11/2019	12-03	June 2019 LTD Payment - Jena Marie Van Earl	(1,234)	
Bill Pmt -Check	06/11/2019	15477	Eisenhower Medical Center--	(2,089)	
Bill Pmt -Check	06/11/2019	15478	Find Food Bank, Inc.	(89,178)	
Bill Pmt -Check	06/11/2019	15479	Frazier Pest Control, Inc.	(30)	
Bill Pmt -Check	06/11/2019	15480	Law Offices of Scott & Jackson	(20,816)	
Bill Pmt -Check	06/11/2019	15481	Mangus Accountancy Group, A.P.C.	(500)	
Bill Pmt -Check	06/11/2019	15482	Moss, Levy & Hartzheim LLP	(9,000)	
Bill Pmt -Check	06/11/2019	15483	Staples Credit Plan	(461)	
Bill Pmt -Check	06/11/2019	15484	State Compensation Insurance Fund	(643)	
Bill Pmt -Check	06/11/2019	15485	Time Warner Cable	(240)	
Bill Pmt -Check	06/11/2019	15486	Top Shop	(245)	
Bill Pmt -Check	06/11/2019	15487	Vanessa Smith-	(873)	
Bill Pmt -Check	06/11/2019	15488	Xerox Financial Services	(394)	

Desert Healthcare District
Check Register
June 2019

Preliminary					
Type	Date	Num	Name		Amount
Bill Pmt -Check	06/11/2019	15489	Kelly Wallace		(320)
Bill Pmt -Check	06/11/2019	15490	Rogers, Carole - May Stipend		(500)
Bill Pmt -Check	06/11/2019	15491	Ginny Ehrlich		(309)
Liability Check	06/13/2019		QuickBooks Payroll Service		(25,306)
General Journal	06/14/2019	12-04	401a payment - 6/14/19 payroll		(1,707)
General Journal	06/14/2019	12-04	457b payment - 6/14/19 payroll		(2,520)
Bill Pmt -Check	06/18/2019	15492	Chris Christensen		(120)
Bill Pmt -Check	06/18/2019	15493	CoPower Employers' Benefits Alliance		(1,684)
Bill Pmt -Check	06/18/2019	15494	El Informador del Valle		(230)
Bill Pmt -Check	06/18/2019	15495	Ernest Enterprises		(453)
Bill Pmt -Check	06/18/2019	15496	First Bankcard (Union Bank)		(1,365)
Bill Pmt -Check	06/18/2019	15497	Image Source		(1,148)
Bill Pmt -Check	06/18/2019	15498	Rauch Communication Consultants		(1,838)
Bill Pmt -Check	06/18/2019	15499	The Desert Sun		(888)
Bill Pmt -Check	06/18/2019	15500	Tom Stuebner		(401)
Bill Pmt -Check	06/20/2019	15501	Regional Access Project Foundation		(550)
Bill Pmt -Check	06/20/2019	15502	Vanessa Smith-		(494)
Check	06/25/2019		Service Charge		(222)
Bill Pmt -Check	06/25/2019	15503	Coachella Valley Workforce Excellence Inc		(78,750)
Bill Pmt -Check	06/25/2019	15504	Chris Christensen		(293)
Bill Pmt -Check	06/25/2019	15505	Coachella Valley Workforce Excellence Inc		(13,165)
Bill Pmt -Check	06/25/2019	15506	Cove Communities Senior Association		(50,423)
Bill Pmt -Check	06/25/2019	15507	Ernest Enterprises		(27)
Bill Pmt -Check	06/25/2019	15508	Karen Borja - Jan, Feb, & March Stipends		(1,000)
Bill Pmt -Check	06/25/2019	15509	Martha's Village & Kitchen		(90,403)
Bill Pmt -Check	06/25/2019	15510	Shred-It		(90)
Bill Pmt -Check	06/25/2019	15511	Vanessa Smith-		(383)
Liability Check	06/27/2019		QuickBooks Payroll Service		(25,428)
Check	06/28/2019	Auto Pay	Principal Financial Group-		(798)
Check	06/28/2019	Auto Pay	Principal Financial Group-		(746)
General Journal	06/30/2019	12-11	Record Medical Reimb - June 2019		(23)
General Journal	06/30/2019	12-12	Intuit/QuickBooks		(78)
TOTAL					(499,810)

Desert Healthcare District	
Details for credit card Expenditures	
Credit card purchases - May 2019 - Paid June 2019	

	Statement							
	Month	Total		Expense				
Year	Charged	Charges		Type	Amount	Purpose	Description	Participants
		\$ 1,365.48						
Chris' Statement:								
2019	May	\$ 1,365.48		District				
				GL	Dollar	Descr		
				5160	\$ 28.12	Chris & Donna - CV Storytellers Project:	Stories of Homelessness	
				6310	\$ 71.22	Maternity bouquet for staff member		
				6360	\$ 12.95	Conference call expense		
				6360	\$ 1.91	Conference call expense		
				5230	\$ 50.00	Carole - Sorooptimist House of Hope		
				6343	\$ 150.00	Courier - May 14th closed session		
				6352	\$ 51.69	Les & Chris lunch meeting		
				6360	\$ 26.97	Conference call expense		
				5160	\$ 100.13	Chris - Desert Health Wellness Awards		
				5230	\$ 59.00	Carole - 2019 DHS State of the City		
				5240	\$ 125.66	Program Committee Catering		
				6360	\$ 11.41	Conference call expense		
				5240	\$ 325.00	Board Workshop Catering		
				6352	\$ 36.71	Les & Chris lunch meeting		
				5240	\$ 314.71	Board Meeting, Closed Session, & Public Hearing Catering		
					\$ 1,365.48			

Las Palmas Medical Plaza
Check Register
June 2019

Preliminary					
Type	Date	Num	Name	Amount	
1000 · CHECKING CASH ACCOUNTS					
1046 · Las Palmas Medical Plaza					
Bill Pmt -Check	06/04/2019	10021	Desert Water Agency	(663)	
Bill Pmt -Check	06/04/2019	10022	Imperial Security	(3,302)	
Bill Pmt -Check	06/11/2019	10023	D.W. Johnston Construction, Inc.	(181,073)	
Bill Pmt -Check	06/11/2019	10024	Frazier Pest Control, Inc.	(180)	
Bill Pmt -Check	06/11/2019	10025	Palm Springs Disposal Services Inc	(2,123)	
Bill Pmt -Check	06/11/2019	10026	Shasta Fire Protection, Inc - VOID	-	
Bill Pmt -Check	06/18/2019	10027	Frontier Communications	(219)	
Bill Pmt -Check	06/18/2019	10028	Imperial Security	(1,573)	
Bill Pmt -Check	06/18/2019	10029	Palmtree Clinical Research, Inc.	(750)	
Bill Pmt -Check	06/18/2019	10030	Southern California Edison	(502)	
Bill Pmt -Check	06/18/2019	10031	Stericycle, Inc.	(1,451)	
Bill Pmt -Check	06/20/2019	10032	Desert Air Conditioning Inc.	(2,398)	
Bill Pmt -Check	06/25/2019	10033	Desert Air Conditioning Inc.	(198)	
Bill Pmt -Check	06/25/2019	10034	Imperial Security	(1,573)	
Bill Pmt -Check	06/25/2019	10035	INPRO-EMS Construction	(10,117)	
Check	06/28/2019		Service Charge	(1,085)	
TOTAL				(207,205)	



MEMORANDUM

DATE: July 9, 2019

TO: F&A Committee

RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

Active – still employed by hospital	114
Vested – no longer employed by hospital	60
Former employees receiving annuity	<u>8</u>
Total	<u>184</u>

The outstanding liability for the RPP is approximately **\$4.2M** (Actives - \$3.0M and Vested - \$1.2M). US Bank investment account balance \$4.9M. Per the June 30, 2018 Actuarial Valuation, the RPP has an Unfunded Pension Liability of approximately **\$3.3M**. A monthly accrual of \$10K is being recorded each month as an estimate for FY2019.

The payouts, excluding monthly annuity payments, made from the Plan for the Twelve (12) months ended June 30, 2019 totaled **\$501K**. Monthly annuity payments (8 participants) total **\$1.03K** per month.



Chief Financial Officer's Report

July 9, 2019

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

93.7% currently occupied –

Total annual rent including CAM fees is **\$1,221,881**.

Leasing Activity:

Cohen, Musch, Thomas Medical Group (currently located in 3W-101) is reviewing a draft contract to relocate to suites 1W-105 & 106.

Las Palmas Medical Plaza

Unit Rental Status

As of July 1, 2019

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly CAM	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To									
											\$ 0.62		
1W, 104	Vacant					1,024	2.07%						
1W, 105	Vacant					1,060	2.15%						
2W, 107	Vacant					1,024	2.07%						
Total - Vacancies						3,108	6.30%						
Total Suites-33 - 29 Suites Occupied		\$ 58,516.90				49,356	93.7%	\$ 73,276.13	\$ 879,313.56	\$ 1.58	\$ 28,547.28	\$ 101,823.41	\$ 1,221,880.92
Summary - All Units													
Vacant			3,108	6.3%									
Pending			0	0%									
Total			49,356	100%									

DESERT HEALTHCARE DISTRICT						
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE						
As of 6/30/19						
TWELVE MONTHS ENDED JUNE 30, 2019						
Grant ID Nos.	Name	Approved Grants - Prior Yrs	Current Yr 2018-2019	6/30/2018 Bal Fwd/New	Total Paid July-June	Open BALANCE
2013-759-BOD-02/26/13	Desert Hot Springs Wellness FDN - Oversampling - HARC -3yr	\$ 30,000		\$ 15,000	\$ -	\$ 15,000
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000		\$ 10,000,000	\$ -	\$ 10,000,000
2015-866-BOD-4-28-15	The LGBT Center of PS - Desert Low-Cost Counseling Clinic - 3 yr	\$ 140,000		\$ 32,000	\$ 32,000	\$ -
2015-875-BOD-6-23-15	Desert AIDS Project - Sexually Transmitted Infection Clinic - 3 Yr	\$ 800,000		\$ 17,500	\$ 17,500	\$ -
2015-876-BOD-6-23-15	Arrowhead Neuroscience Fndtn-NeuroInterventional & NeuroCritical Care Fellowship 2 Yr	\$ 373,540		\$ 121,401	\$ 84,047	\$ 37,354
2016-886-BOD-9-22-15	B&G Club of Cathedral City - Main Club House Capital Improvements - 1 Yr	\$ 150,000		\$ 15,000	\$ (1,955)	\$ 16,955
	Unexpended funds of Grant #886 (\$15,000 10% Retention)				\$ -	\$ (15,000)
	Unexpended funds of Grant #886 (\$1,955 unused returned)				\$ -	\$ (1,955)
2016-887-BOD-9-22-15	CVEP - Mental Health College & Career Pathways Development Initiative - 2 Yr-ext 9/18	\$ 737,900		\$ 73,790	\$ 73,790	\$ -
2016-889-BOD-10-27-15	HARC - 2016 Community Health Monitor - 3 Yr	\$ 499,955		\$ 49,996	\$ 49,996	\$ -
2016-891-BOD-11-17-15	Jewish Family Services of the Desert - Mental Health Outpatient Treatment - 3 Yr	\$ 570,000		\$ 131,089	\$ 58,500	\$ 72,589
	Unexpended funds from Year 1 of Grant #891			\$ (75,792)		\$ (75,792)
2016-908-BOD-06-28-16	Angel View Support for the Outreach Stabilization Program - 2 Yr	\$ 144,600		\$ 14,460	\$ 12,411	\$ 2,049
	Unexpended funds of Grant #908			\$ (2,049)		\$ (2,049)
2016-920-BOD-10-25-16	LifeStream Blood Bank - Support Protate Cancer Treatment Program	\$ 60,000		\$ 6,000	\$ 6,000	\$ -
2016-927-BOD-12-20-16	SafeHouse of the Desert - "What's Up" Crisis Texting Application - 3 Yr	\$ 679,357		\$ 373,646	\$ 203,807	\$ 169,839
2017-929-BOD-05-23-17	Gilda's Club Desert Cities: HeLP - Healthy Living Program - 1 Yr	\$ 142,000		\$ 14,200	\$ 14,200	\$ -
2017-934-BOD-07-25-17	Well in the Desert - New Vans for Client Pickup & Deliveries	\$ 84,798		\$ 8,480	\$ 8,407	\$ 72
	Unexpended funds of Grant #934				\$ -	\$ (72)
2017-936-BOD-07-25-17	Hidden Harvest - Senior Markets & Healthy Fairs	\$ 95,000		\$ 9,500	\$ 9,500	\$ -
2017-938-BOD-07-25-17	Mizell Senior Center - A Matter of Balance Phase 2 - 2 Yr	\$ 400,300		\$ 220,165	\$ 180,135	\$ 40,030
2017-939-BOD-07-25-17	Loma Linda University - Dream Homes Initiative - 16 months	\$ 178,016		\$ 57,855	\$ 57,844	\$ 11
	Unexpended funds of Grant #939 (\$10.86 unused returned)				\$ 11	\$ (11)
2017-947-BOD-09-26-17	Coachella Valley Volunteers in Medicine - Primary Healthcare & Support Services - 1 Yr	\$ 121,500		\$ 12,150	\$ (4,590)	\$ 16,740
	Unexpended funds of Grant #947 (\$12,150 10% Retention)					\$ (12,150)
	Unexpended funds of Grant #947 (\$4,590 unused returned)					\$ (4,590)
2017-948-BOD-09-26-17	Pegasus Hippo Therapy - Equine Therapy for District Residents - 1 Yr	\$ 93,829		\$ 9,383	\$ 5,855	\$ 3,528
	Unexpended funds of Grant #948			\$ (3,528)		\$ (3,528)
2017-953-BOD-11-28-17	FIND Food Bank - Project Produce - 1 Yr	\$ 387,068		\$ 212,887	\$ 212,887	\$ -
2017-954-BOD-11-28-17	CVRM - Emergency Food, Shelter with Wrap Around Services for West CV Homeless 1Yr	\$ 100,000		\$ 55,000	\$ 55,000	\$ -
2017-955-BOD-11-28-17	Martha's Village & Kitchen - Health in Housing: Emergency Housing With Wrap Around 1Yr	\$ 186,150		\$ 102,383	\$ 102,383	\$ -
2018-960-BOD-02-27-18	Desert Cancer Foundation - Patient Assistance and Suzanne Jackson Breast Cancer	\$ 200,000		\$ 110,000	\$ 90,000	\$ 20,000
2018-962-BOD-03-27-18	EMC - CV Collaborative Program-Antibiotic Resistance Prevention Partnership(3yr w/ 1st yr fur	\$ 55,805		\$ 30,693	\$ 27,202	\$ 3,491
	Unexpended funds of Grant #962					\$ (3,491)
2018-967-BOD-05-22-18	The City of DHS-Public Safety Emergency Response Program - Purchase AEDs	\$ 30,000		\$ 30,000	\$ 27,000	\$ 3,000
2018-968-BOD-05-22-18	One Future Coachella Valley - Health Career Connection Summer Intern at DHCD/F	\$ 7,314		\$ 7,314	\$ 7,314	\$ -
2018-974-BOD-09-25-18	HARC - 2019 Coachella Valley Community Health Survey - 2 Yr		\$ 399,979	\$ 399,979	\$ 179,991	\$ 219,989
2018-980-BOD-10-23-18	Joslyn Wellness Senior Behavioral Health Services Program - 1 Yr		\$ 112,050	\$ 112,050	\$ 100,845	\$ 11,205
2018-981-BOD-10-23-18	Desert Arc Healthcare Program - 1 Yr		\$ 164,738	\$ 164,738	\$ 148,264	\$ 16,474
2018-976-BOD-10-23-18	Ready Set Swim - Desert Healthcare Foundation - 1 Yr		\$ 136,000	\$ 136,000	\$ 136,000	\$ -
2018-979-BOD-11-27-18	FIND Food Bank - Healthy Food First/Pathways Out of Hunger - 1 Yr		\$ 396,345	\$ 396,345	\$ 178,356	\$ 217,989
2019-985-BOD-03-26-19	Coachella Valley Volunteers in Medicine - Primary Healthcare & Support Services - 1 Yr		\$ 121,500	\$ 121,500	\$ 54,675	\$ 66,825
2019-986-BOD-05-28-19	Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr		\$ 200,000	\$ 200,000	\$ -	\$ 200,000
2019-997-BOD-05-28-19	Martha's Village & Kitchen - Homeless Housing With Wrap Around Services - 1 Yr		\$ 200,896	\$ 200,896	\$ 90,403	\$ 110,493
2019-989-BOD-05-28-19	Pegasus Riding Academy - Cover the Hard Costs of Pegasus Clients - 1 Yr		\$ 109,534	\$ 109,534	\$ 49,290	\$ 60,244
2019-994-BOD-05-28-19	One Future Coachella Valley - Mental Health College & Career Pathway Development - 2 Yr		\$ 700,000	\$ 700,000	\$ 78,750	\$ 621,250
2019-995-BOD-05-28-19	One Future Coachella Valley - HCC Summer Intern at DHCD/F & FIND Food Bank		\$ 14,628	\$ 14,628	\$ 13,165	\$ 1,463
2019-1000-BOD-05-28-19	Voices for Children - Court Appointed Special Advocate Program - 1 Yr		\$ 24,000	\$ 24,000	\$ 10,800	\$ 13,200
2019-1006-BOD-06-25-19	Desert Healthcare Foundation - Homelessness Initiative Collective Fund		\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000
				\$ -	\$ -	\$ -
TOTAL GRANTS		\$ 16,267,132	\$ 3,579,670	\$ 15,228,192	\$ 2,369,781	\$ 12,821,151
Amts available/remaining for Grant/Programs - FY 2018-19:						
Amount budgeted 2018-2019			\$ 3,500,000		G/L Balance:	6/30/2019
Amount granted through June 30, 2019:			\$ (3,579,670)		2131	\$ 2,673,506
Mini Grants: 972; 973; 975; 983; 987; 1003			\$ (24,000)		2281	\$ 10,147,646
Net adj - Grants not used: 908; 947; 948; 886; 934			\$ 46,049		Total	\$ 12,821,152
Balance available for Grants/Programs			\$ (57,621)		Difference - Rdg	\$ (0)

POLICY TITLE: FILLING A VACANCY ON THE BOARD
POLICY NUMBER: BOD-6*

DRAFT DATE: 07/23/19 Reviewed (NO REVISIONS)
01/26/16

BOARD APPROVAL DATE: Reviewed
01/26/2016
*DHCD By-Laws Article IV -4.4 03/03/2014

POLICY: FILLING A VACANCY ON THE BOARD

Policy #BOD-6: It is the policy of the Desert Healthcare District ("District") to fill a vacancy on the Board of Directors as per the Desert Healthcare District By-Laws, Article IV, 4.4.

GUIDELINES:

1. DHCD By-Laws - Article IV -4.4 – VACANCIES

"The remaining Board members may fill any vacancy on the Board by appointment in accordance with Government Code Section 1780, as amended, which set forth the procedure for filling a vacancy of an elective office on a governing board of a special district."

Government Code Section 1780

1780. (a) Notwithstanding any other provision of law, a vacancy in any elective office on the governing board of a special district, other than those specified in Section 1781, shall be filled pursuant to this section.
- (b) The district shall notify the county elections official of the vacancy no later than 15 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later.
- (c) The remaining members of the district board may fill the vacancy either by appointment pursuant to subdivision (d) or by calling an election pursuant to subdivision (e).
- (d) (1) The remaining members of the district board shall make the appointment pursuant to this subdivision within 60 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later. The district shall post a notice of the vacancy in three or more conspicuous places in the district at least 15 days before the district board makes the appointment. The district shall notify the county elections official of the appointment no later than 15 days after the appointment.
- (2) If the vacancy occurs in the first half of a term of office

and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(3) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.

- (e) (1) In lieu of making an appointment the remaining members of the board may within 60 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, call an election to fill the vacancy.
(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the district board calls the election.
- (f) (1) If the vacancy is not filled by the district board by appointment, or if the district board has not called for an election within 60 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, then the city council of the city in which the district is wholly located, or if the district is not wholly located within a city, the board of supervisors of the county representing the larger portion of the district area in which the election to fill the vacancy will be held, may appoint a person to fill the vacancy within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, or the city council or board of supervisors may order the district to call an election to fill the vacancy.
(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the city council or board of supervisors calls the election.
- (g) (1) If within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, the remaining members of the district board or

the appropriate board of supervisors or city council have not filled the vacancy and no election has been called for, then the district board shall call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the district board calls the election.

(h) (1) Notwithstanding any other provision of this section, if the number of remaining members of the district board falls below a quorum, then at the request of the district secretary or a remaining member of the district board, the appropriate board of supervisors or the city council shall promptly appoint a person to fill the vacancy, or may call an election to fill the vacancy.

(2) The board of supervisors or the city council shall only fill enough vacancies by appointment or by election to provide the district board with a quorum.

(3) If the vacancy occurs in the first half of a term of office, and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold the office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(4) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.

(5) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is held 130 or more days after the date the city council or board of supervisors calls the election.

PUBLIC NOTICE



Pursuant to Government Code Section 1780, notice is hereby given that effective (date) there exists a vacancy on the Board of Directors of the Desert Healthcare District, a local governmental entity. Pursuant to California law, the remaining District Board members may fill the vacancy by appointment or by holding a special election

DRAFT



POLICY TITLE: BOARD MEETINGS

POLICY NUMBER: BOD-8

DRAFT DATE: 07/23/19 Revised
03/23/2016

BOARD APPROVAL DATE: Revised
03/23/2016

POLICY: BOARD MEETINGS

Policy #BOD-8: It is the policy of the Desert Healthcare District ("District") Board of Directors to hold Regular meetings and Special meetings when necessary of the Board of Directors.

GUIDELINES:

1. Regular meetings are held on the fourth Tuesday of each calendar month, except August, at 2:00 p.m. in the Arthur H. "Red" Motley Boardroom in the Jerry Stergios Building, 2nd Floor, Desert Healthcare District, 1140 North Indian Canyon Drive, Palm Springs, California 92262 5:30 p.m. in the Regional Access Project (RAP) Foundation Building, 41550 Eclectic Street, Palm Desert, California, 92260, unless otherwise designated in the meeting Agenda. If that date falls upon a legal holiday, of a quorum of the Board of Directors is known to be unavailable for a regular meeting date, the meeting shall be held at the same time on the next business day as an adjourned meeting. In accordance with California Govt. code 54955, and the methods described therein, an adjourned regular meeting is a regular meeting for all purposes.

The location of regular meeting may be changed at times, must be held within the District service boundaries and properly noticed. It is the policy of the Board of Directors that if the regular meeting location is changed, that a notification will be made in the Desert Sun newspaper and on the District website.

2. Organizational Meeting. At the regular Board meeting in December, the Board shall organize by the election of one of its members as President, one as Vice-President/Secretary and one as Treasurer.



3. Special meetings (non-emergency) of the Board of Directors may be called by the Board President, or by ~~three (3)~~four (4) Board members by delivering written notice to each Board member and to each local newspaper of general circulation, radio or television stations requesting such notice in writing, personally or by mail. Such notice must be delivered personally or by mail at least twenty-four (24) hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at special meetings. Such written notice may be dispensed with as to any board member who, at or prior to the time of the meetings convenes, files with the Secretary a written waiver of notice. Such waiver may be given by email. Such written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

Commented [C1]: Jeff, is the key here the word "requesting"? If the media doesn't request, it's not required?

3.1 All Directors, the Chief Executive Officer, and District Counsel shall be notified of the special Board meeting and the purpose or purposes for which it is called. Said notification shall be in writing, delivered to them at least twenty-four (24) hours prior to the meeting.

3.2 Any organization or individual who have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926) shall be notified, including business to be transacted, will be given by email during business hours as soon after the meeting is scheduled as practicable.

3.3 An agenda shall be prepared as specified for regular Board meetings in Policy# BOD-8-7 and shall be delivered with the notice of the special meeting to those specified above.

3.4 Only those items of business called for the special meeting shall be considered by the Board at any special meeting.

4.. Emergency Meetings. In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the 24-hour notice required 3.1, above. An emergency situation means a crippling disaster that severely impairs public health, safety, or both, as determined by the Chief Executive Officer, Board President or Vice-President in the President's absence.

4.1 Any organizations or individuals that have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926) shall be notified by telephone or email at least



one hour prior to the emergency special meeting. In the event that telephone or email services are not functioning, the notice requirement of one hour is waived, but the Chief Executive Officer, or his/her designee, shall notify such organizations or individuals of the fact of the holding of the emergency special meeting, and of any action taken by the Board, as soon after the meeting as possible.

4.2 No closed session may be held during an emergency special meeting, and all other rules governing special meetings shall be observed with the exception of the twenty-four (24)-hour notice. The minutes of the emergency special meeting, a list of persons the Chief Executive Officer or designee notified or attempted to notify, a copy of the roll call vote(s), and any actions taken at such meeting shall be posted for a minimum of ten (10) days in the District office as soon after the meeting as possible.

5. Quorum A majority of the members of the Board shall constitute a quorum for the transaction of business. The act of a majority of the Board members present at the meeting at which a quorum is present shall be the act of the Board.

6. Adjournment The Board may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within twenty-four (24) hour after the time of adjournment.



POLICY TITLE: RULES OF ORDER FOR BOARD AND COMMITTEE MEETINGS
POLICY NUMBER: BOD-9

DRAFT DATE: ~~03/23/2016~~ 07/17/19

BOARD APPROVAL DATE: Revised
03/23/2016

*DHCD By-Laws Article V -5.7 03/03/2014

POLICY: RULES ~~OR OF~~ ORDER FOR BOARD AND COMMITTEE MEETINGS

Policy #BOD-9: It is the policy of the Desert Healthcare District ("District") Board of Directors to conduct meetings in accordance with the following rules of order.

GUIDELINES:

1. Unless otherwise provided by law, bylaws, or Board rules or, Board meeting procedures shall be in accordance with *Robert's Rules of Order Newly Revised*. However, technical failure to follow *Robert's Rules of Order* shall not invalidate any action.
2. The President may make and second motions and vote in the same manner as other Board members.



POLICY TITLE: BOARD MEETING CONDUCT
POLICY NUMBER: BOD-10

DRAFT DATE: ~~03/23/2016~~ 07/17/2019

BOARD APPROVAL DATE: Revised
03/23/2016

POLICY: BOARD MEETING CONDUCT

Policy #BOD-~~11~~10: It is the policy of the Desert Healthcare District ("District") to conduct meetings in a manner consistent with Policy numbers BOD-#~~109~~, "Rules of Order for Board and Committee Meetings" and BOD-#~~98~~, "Board Meetings".

GUIDELINES:

1. All Board meetings shall commence at the time stated on the agenda and shall be guided by the agenda.
2. The conduct of meetings shall, to the fullest possible extent, enable Directors to:
 - 2.1 Consider problems to be solved, weigh evidence related thereto, and make wise decisions intended to solve the problems;
 - 2.2 Hear public testimony, and
 - 2.3 Receive, consider and take any action with respect to reports of accomplishment of District operations.
- 3 To ensure that all members of the General Public have the opportunity to participate in the meetings of the Board of Directors of the Desert Healthcare District, the Board has established the following provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors:
 - 3.1 It is the policy of the Board to allow three (3) minutes (exclusive of translation services) for any item not on the agenda that a member of the



public identifies at the beginning of the meeting under the agenda item "Public Comments".

3.2 For agenda items, members of the public may speak for five (5) minutes (exclusive of translation services) any time prior to a vote.

3.3 A maximum of fifteen (15) minutes (exclusive of translation services) total per meeting ~~will~~ shall be allowed for each member of the public.

3.4 No disruptive and/or boisterous conduct shall be permitted at any Board meeting. Persistence in boisterous conduct shall be grounds for summary termination by the Board President/Chair of that person's privilege of address. If unacceptable conduct persists, the Board President/Chair may request removal of the person from the meeting and/or clear the room, allowing only accredited members of the press, for the duration of the meeting. Only matters appearing on the agenda may be considered. The Board President/Chair may allow for those members of the public not responsible for the disruptive conduct back in the room, if desired.

4. A copy of this policy shall be made available to the public at each Board Meeting.

5. In order to adhere to this policy, the Board President/Chair of the Meeting shall follow the procedures as outlined below:

5.1 During the "Public Comments" agenda item, the Board President/Chair shall advise any members of the public wishing to address the Board on items not on the agenda that they may do so at this time.

5.2 After each agenda item has been motioned and seconded (if applicable), members of the Board and public will be given an opportunity to speak.

5.3 The Board President/Chair shall advise any member of the public wishing to address the Board that he/she will have a time limit for each item identified with a maximum time of fifteen (15) minutes for the entire meeting.



5.4 As the member of the public addresses each previously identified agenda item, his/her remarks shall be timed to ensure that the policy is followed.

EXCEPTIONS:

6. The Board President/Chair, his/her designated alternate -or the majority of the Board, are authorized to make exceptions to this policy during meetings. The Board as a whole may update this policy as it wishes.



POLICY TITLE:
POLICY NUMBER

MINUTES OF BOARD MEETINGS
BOD-12

DRAFT DATE:

~~03/23/2016~~ 07/17/19

BOARD APPROVAL DATE:

Revised
03/23/2016

POLICY #BOD-12

MINUTES OF BOARD MEETINGS

Policy# BOD-12 - It is the policy of the Desert Healthcare District ("District") Board of Directors to keep minutes of all regular and special meetings of the Board.

GUIDELINES:

1 The Secretary of the Board of Directors shall keep minutes of all regular and special meetings of the Board. The Secretary of the Board of Directors shall be appointed by the Board as described in Policy BOD-2.

1.1 Copies of a meeting's minutes shall be distributed to Directors as a part of the information packet for the next regular meeting of the Board, at which time the Board will consider approving the minutes as presented or with modifications. Once approved by the Board, the official minutes shall be kept and available for public review.

1.2 Unless directed otherwise, an electronic recording of regular and special meetings of the Board of Directors will be made. The device upon which the recording is stored shall be kept in a fire-resistant, locked cabinet for a minimum of two (2) years, or in accordance with Board Policy OP-3, "Records Retention". Members of the public may inspect recordings of Board meetings without charge on a playback machine that will be made available by the District or on the District website. Electronic versions of regular Board meetings shall be available online on the District's website.

1.3 Motions, resolutions or ordinances shall be recorded in the minutes as having passed or failed, and individual votes will be recorded for all actions. All resolutions adopted by the Board shall be numbered consecutively. In addition to other information that the Board may deem to be of importance, the following information (if relevant) shall be included in each meeting's minutes:



- 1.3.1 Date, place and type of each meeting;
- 1.3.2 Directors present and absent by name;
- 1.3.3 Administrative staff present by name;
- 1.3.4 Call to order;
- 1.3.5 Time and name of late arriving Directors;
- 1.3.6 Time and name of early departing Directors;
- 1.3.7 Names of Directors absent during any agenda item upon which action was taken;
- 1.3.8 Summary record of staff reports and recommendations;
- 1.3.9 Summary record of public comment regarding matters not on the agenda, including names of commentators if provided;
- 1.3.10 Approval of the minutes or modified minutes of preceding meetings;
- 1.3.11 Approval of financial reports;
- 1.3.12 Record by number (a sequential range is acceptable) of all warrants approved for payment;
- 1.3.13 Record of the vote of each Director on every action item ~~for which the vote was not unanimous~~ and if any, names and reasons for abstentions from voting; [Government Code section 54953(c)(2)]
- 1.3.14 Resolutions described as to their substantive content and sequential numbering;
- 1.3.15 Record of all contracts and agreements, and their amendment, approved by the Board;
- 1.3.16 Approval of the annual budget;
- 1.3.17 Approval of all policies;
- 1.3.18 Approval of all dispositions of District assets;
- 1.3.19 Approval of all purchases of District assets; and,
- 1.3.20 Time of meeting adjournment.

1.4 The functions of Board Secretary may be delegated to a District Staff member and not a member of the Board of Directors in accordance with Policy BOD-2.



POLICY TITLE: Memberships in Organizations, Training, Education, Conferences, and Reimbursement Procedure

POLICY NUMBER: BOD-13

DRAFT DATE: 07.23.19 Revised
02/24/2016

BOARD APPROVAL DATE: Revised
02/24/2016

Ref: *Resolution No. 11-01 03/22/2011

POLICY: Memberships in Organizations, Training, Community Events, Conferences; Reimbursement Procedure

Policy #BOD-13: It is the policy of the Desert Healthcare District ("District") Board of Directors to encourage members of the Board of Directors to attend educational conferences, professional meetings, trainings and community events when the purpose of such activities is to improve District operation. Directors and Staff shall be mindful that public funds are being spent and that only a reasonable and necessary level of expense is warranted.

Participation of its elected officials in community events will expand the District's visibility in the community and increasing the access of District residents to their elected officials. In turn, this will lead to a broader understanding of the District's mission and to improve community ties.

GUIDELINES:

1. On March 22, 2011 (Resolution No. 11-01) the Desert Healthcare District Board of Directors has determined that it will serve the best interests of the District to maintain membership in the following affiliated national, state and local organizations. Further, expenses incurred in attending meetings and conferences of these following organizations and functions are hereby designated as reimbursable:
 - 1.1 Meetings of organizations in which the District is a member (e.g. Association of California Health Care Districts, California Special Districts Association).
 - 1.2 Meetings directly related to the conduct of District business. Included in this category are groundbreaking and special events sponsored by healthcare organizations, both governmental and non-profit, receiving

Policy #BOD-13 Page 1 of 3



financial support from the District.

1.3 Meetings of non-political community groups that extend a specific invitation to attend and at which the Board member actively participates in the program.

1.4 Attendance at symposia and conventions, the primary purpose of which is to discuss or demonstrate health care issues or matters relating to special districts.

1.5 Attendance at educational conference workshops which include curricula concerning district hospitals, special districts, or board administration.

1.6 Attendance at other meetings which the Board of Directors specifically approves at a regular meeting of the Board, and which the Board determines as an occasion that constitutes the performance of official duties.

1.7 Personally owned vehicles used in the conduct of District business must be insured for property and liability damage in an amount not less than the minimum limits required by the California Financial Responsibility Act.

2. Each Director and Staff shall be entitled to payment and/or reimbursement for all actual and necessary expenses incurred in the performance of official duties including expenses incurred relating to travel, meals, lodging, and other actual and necessary expenses incurred for attendance at meetings and conferences of organizations listed. Lodging expenses may not exceed the maximum group rate published by the conference or activity sponsor. Requests for Reimbursement must be submitted on a District approved Expense Form and shall include receipts documenting each expense. Director's and Staff's expenses shall be reported on a quarterly basis.

2.1 All receipts shall include the detail of the expense (i.e. itemized restaurant slips shall accompany credit card receipts).

2.2 The purpose of the meeting and individuals entertained shall be included on the receipts.

2.3 The District does not reimburse for alcohol.

2.4 Mileage reimbursement with use of personal vehicle. Staff – the District office is considered the starting point for reimbursement. In some cases, the employee's home may be considered. Directors – will typically use their District home or other reasonable starting point.

Example: Director resides in Indio, but employed in Palm Desert. A meeting is in Palm Springs at the District office. The Director's office in Palm Desert would be the starting point for mileage.

2.5 Rideshare is an acceptable transportation expense.

2.6 BOD #18 – Ticket Distribution Policy should be referred to for reimbursable events.

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3. Upon returning from seminars, workshops, conferences, etc., where expenses are reimbursed by the District, Directors and Staff will either prepare a written report for



distribution to the Board, or make a verbal report during the next regular meeting of the Board. Such report(s) shall be specified as an agenda item for that board meeting. The report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office for the future use of other Directors and staff.

DRAFT



POLICY TITLE: ETHICS TRAINING AND EDUCATION TRAINING RELATING TO WORKPLACE HARASSMENT

POLICY NUMBER: BOD-14

DRAFT DATE: 03/23/201607/17/19

BOARD APPROVAL DATE: Revised
03/23/2016

Ref: *Resolution No. 11-02

POLICY: ETHICS TRAINING AND EDUCATION TRAINING RELATING TO WORKPLACE HARASSMENT

Policy #BOD-14: It is the policy of the Desert Healthcare District ("District") to ensure that District Board members and District staff receive training in ethics pursuant to California Government Code sections 53234, *et seq.* (AB 1234) and training/education regarding sexual harassment in the workplace.

GUIDELINES:

1. Each District Board member and designated staff are required to complete a minimum of two hours ethics training sufficient to meet the legal requirements of AB1234. The training is encouraged annually, but required every two years.
2. All District Board members and District staff are required to complete at least two hours of training and education relating to workplace harassment every two years.
3. This policy shall be incorporated into the District Employee Handbook and Board Policy Manual.

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POLICY TITLE: COMPENSATION
POLICY NUMBER: OP-12
DRAFT DATE: 07/17/19 **NEW POLICY**
BOARD APPROVAL DATE: _____

POLICY: COMPENSATION

Policy #OP-12:

1 This policy shall apply to District employees, excluding the Chief Executive Officer.

2 Compensation at Hiring.

2.1 New Employees. All newly appointed employees shall be compensated at a rate within the salary range for the position/job title as periodically approved by the Board of Directors.

3 Merit Advancement within Salary Range.

3.1 Performance Evaluation Required. The Chief Executive Officer or other responsible managing employee shall authorize a merit advancement within the salary range only after evaluating the employee's performance and determining that it is satisfactory. This determination shall be noted on a performance evaluation form to be placed in the employee's file, with a copy given to the employee. Performance evaluations are completed annually on October 31 with a merit increase effective date of November 1.



3.2 Period of Employment Required for Merit Advancement. Unless otherwise specified herein, each employee shall, in addition to receiving a satisfactory performance evaluation, complete the following required time of employment to be eligible to receive a merit increase:

3.2.1 New Employees. A person hired as a new employee shall have a merit advancement date as follows:

3.2.1.a Appointment date between November 1 and April 30 eligible for merit advancement October 31.

3.2.1.b Appointment date between May 1 and October 31 eligible for merit advancement October 31 one year later.

3.2.2 Promotion or Demotion. An employee who is promoted or demoted shall have a new merit advancement date which shall follow the advancement dates outlined in 3.2.1.

3.2.3 Change-in-Range Allocation. If the salary range for an employee's position is changed, the employee's merit advancement date shall not change.

3.2.4 Position Reclassification. An employee whose position is reclassified to a new position shall have no change in merit advancement date.



POLICY TITLE: FINANCIAL RESERVE

POLICY NUMBER: FIN-06

DRAFT DATE: 07-17-19 **NEW POLICY**

BOARD APPROVAL DATE: _____

POLICY: FINANCIAL RESERVE

Policy #FIN-06:

1.1 Purpose: The Desert Healthcare District (District) shall maintain reserve funds in accordance with the District's Reserve Policy. This policy establishes the procedure and level of reserve funding to achieve the following specific goals:

- a) Fund the operating capital of Desert Regional Medical Center (DRMC) for two (2) months in the event of early termination of the lease of DRMC by Tenet or the District; or
- b) Fund major repairs of DRMC, including partial seismic retrofit costs; or
- c) Fund grants and overhead costs of operation of the District.

1.2 Policy: Use of District Reserves is limited to the reserve fund established with MUFG Union Bank. Special use of the funds will be designated by formal action of the Board of Directors. The purposes of the reserve fund are listed below.

- a) DRMC Operating Capital:

The District is in a 30-year lease to operate DRMC with Tenet Health Systems which expires on May 29, 2027. In the event of termination of the lease agreement, the District would be responsible for operating the hospital during the transition without interruption and would require upfront operating capital for two (2) months of approximately \$72M.

- b) Major repairs of DRMC, including seismic retrofit costs:

DRMC falls under the seismic retrofit guidelines of SB 1953, which requires the hospital



to be seismically compliant by the year 2030. Should the District be required to complete the seismic retrofit, it is estimated \$120M - \$180M will be required to bring DRMC into compliance. It is presently unknown if the Lessee (Tenet) or the District will pay for the seismic retrofit.

c) Grant funding and District operating expenses:

The District receives an estimated \$6M annually from county property tax allocation. The operations of the District, including grant funding, are mostly funded by the annual tax allocation. The Reserve Fund is increased as tax payments are received or decreased as grant and operational costs are expended.

1.3 Using Reserve Funds:

a) DRMC Operating Capital:

Reserve funds will be used exclusively for operating DRMC during a transition period should the hospital lease be terminated.

b) Major repairs of DRMC, including seismic retrofit costs:

Reserve funds will be used exclusively for major repairs, including seismic retrofit costs, of DRMC should the District be responsible for these costs.

c) Grant funding and District operating expenses:

Reserve funds will be used as necessary for grant funding and District operating expenses.

4.4 Monitoring Reserve Levels & Records: The Chief Executive Officer, in collaboration with the Chief Financial Officer, shall maintain accurate accounting records of the reserve fund and provide transparency to the Board of Directors.

a) The District's Reserve Fund shall be maintained at approximately \$58M.



**DESERT HEALTHCARE
DISTRICT & FOUNDATION**

Date: July 23, 2019
To: Board of Directors
Subject: Presentation of findings from the HARC Coachella Valley LGBT Mental Health Needs Assessment – Jill Gover, Ph.D., Clinic Director Licensed Psychologist, Scott Hines Mental Health Clinic, LGBT Community Center Of the Desert

Staff Recommendation: INFORMATION ONLY

Background:

- In 2012, Desert Healthcare District approved a grant to the LGBT Community Center of the Desert to conduct a needs assessment to identify and measure unmet health needs amongst LGBT people in the region. Health Assessment Resource Center ("HARC") was the contractor who implemented a multipronged, research methodology to assess the health needs of the LGBT community and its subgroups.
- The information from the needs assessment allowed The Center to evaluate its current health and wellness programs and classes; develop and implement health and wellness programs that met the LGBT community needs identified in the research; created targeted marketing and public information campaigns; and addressed community challenges identified, such as a need for specialized low cost medical and mental health services and/or for educational programs for medical providers and others who serve LGBT individuals.
- To address the need for LGBT-specific mental health services, the Center expanded services to create The Scott Hines Mental Health Clinic.
- In 2015, Desert Healthcare District approved a 3-year grant to support the low-cost counseling clinic, including funding for a HARC follow up study that was conducted.
- The abbreviated version of the survey focused only on demographics and mental health with a purpose to assess the state of mental health needs in the LGBT community and to determine what had changed over the past six years.
- Dr. Gover will give a brief overview of the complete findings of the Mental Health Needs Assessment included in the packet.

Fiscal Impact: none, as the grant was completed and closed in 2019.

HARC Coachella Valley LGBT Mental Health Needs Assessment

For



Jill Gover, Ph.D., Clinic Director
dr Gover@thecenterps.org

About the report

- ❑ 2013 HARC LGBT community needs assessment highlighted **need for low cost LGBT specific mental health services (80%)**
- ❑ To address this need, The Center expanded services to **create The Scott Hines Mental Health Clinic**
- ❑ An abbreviated version of the **survey**, focused only on demographics and mental health, was **repeated in 2019**.
- ❑ The purpose of this survey was to **assess the state of mental health needs in the community** once again, and to determine what had changed over the past six years.
- ❑ This summarizes and compares findings to prior 2013 survey.

Demographics

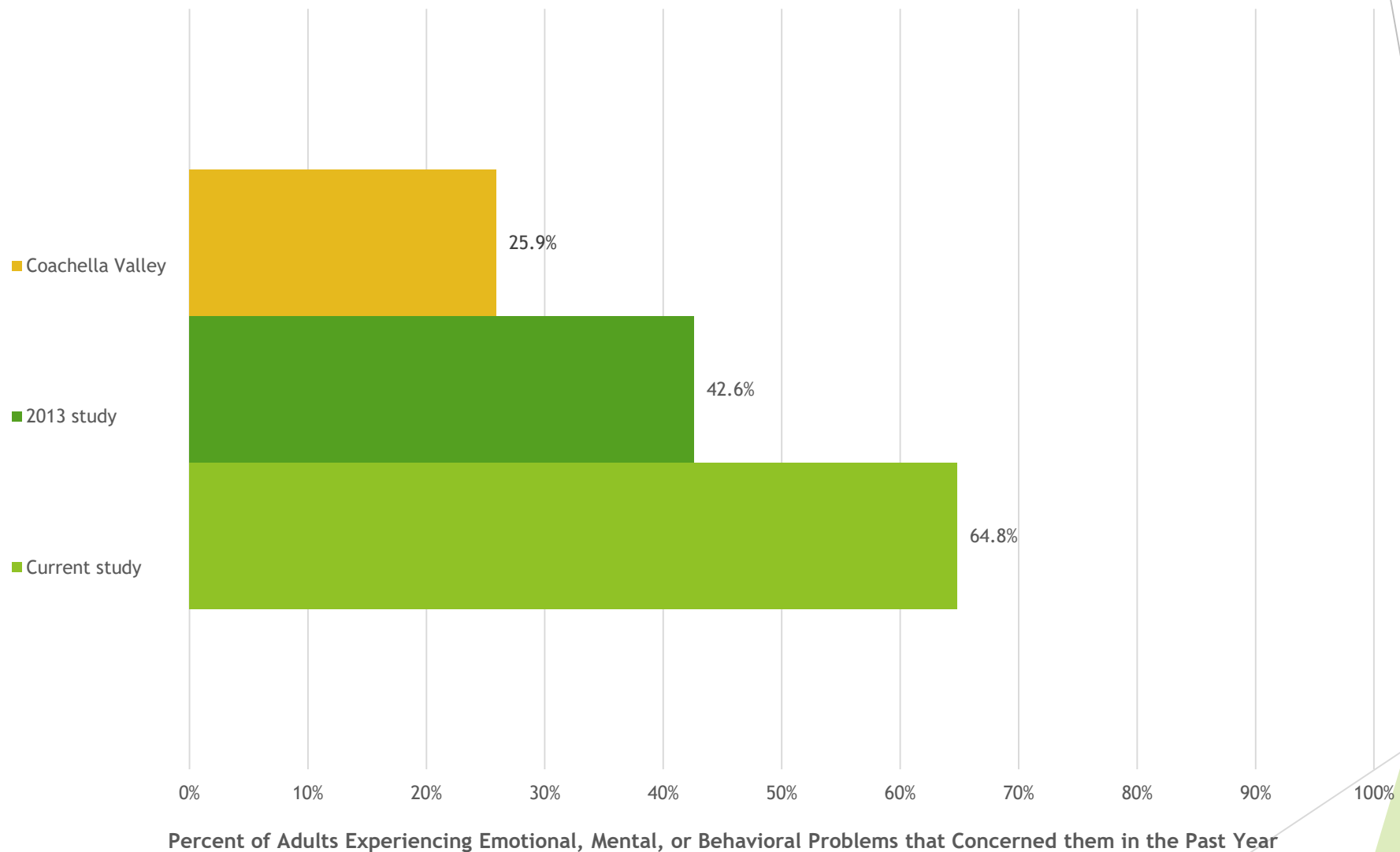
Category	Current Study		2013 Study	
	Frequency	Percent	Frequency	Percent
Sexual Orientation How would you describe your sexual orientation?				
Gay	371	69.7%	550	71.5%
Lesbian	92	17.3%	125	16.3%
Bisexual	38	7.1%	34	4.4%
Heterosexual or straight	15	2.8%	57	7.4%
Other	16	3.0%	3	0.4%
Total	532	100.0%	769	100.0%
Gender Orientation How would you describe your gender orientation?				
Not transgender	496	95.6%	749	97.4%
Transgender - Nonbinary	10	1.9%	8	1.0%
Transgender - Male to Female (MtF)	9	1.7%	10	1.3%
Transgender - Female to Male (FtM)	4	0.8%	2	0.3%
Total	519	100.0%	769	100.0%
Gender Identity What gender do you identify with?				
Male	387	72.6%	562	73.2%
Female	134	25.1%	193	25.1%
Not exclusively male or female	12	2.3%	10	1.3%
Intersex	0	0.0%	3	0.4%
Total	547	100.0%	768	100.0%

Demographics

- ▶ 69.7% gay
- ▶ 17.3% lesbian
- ▶ 7.1% as bisexual
- ▶ 2.8% as straight
- ▶ 3.0% as other
- ▶ 62.1% aged 55-75.
- ▶ 90.3% White/Caucasian,
- ▶ 10.7% Hispanic/Latino.
- ❖ 72.6% male,
- ❖ 25.1% female
- ❖ 4.4% transgender
- ❖ 2.3% as non-binary.
- ▶ 67.5% four-year college degree and 62.8% w/ household income of more than \$50,000 a year.
- ▶ 56.9% from Palm Springs and Cathedral City (15.1%)

the demographics of the current sample (N=519) were nearly identical to the demographics of the 2013 survey (N=769). Comparisons can be made between the two with confidence, as it is unlikely to be due to a demographic shift.

Figure 4. Emotional, Mental, Behavioral Problems in past 12 Months



Note: Current study $n = 571$; 2013 study $n = 768$; Coachella Valley data are from HARC, Inc. (2017).

Mental Health

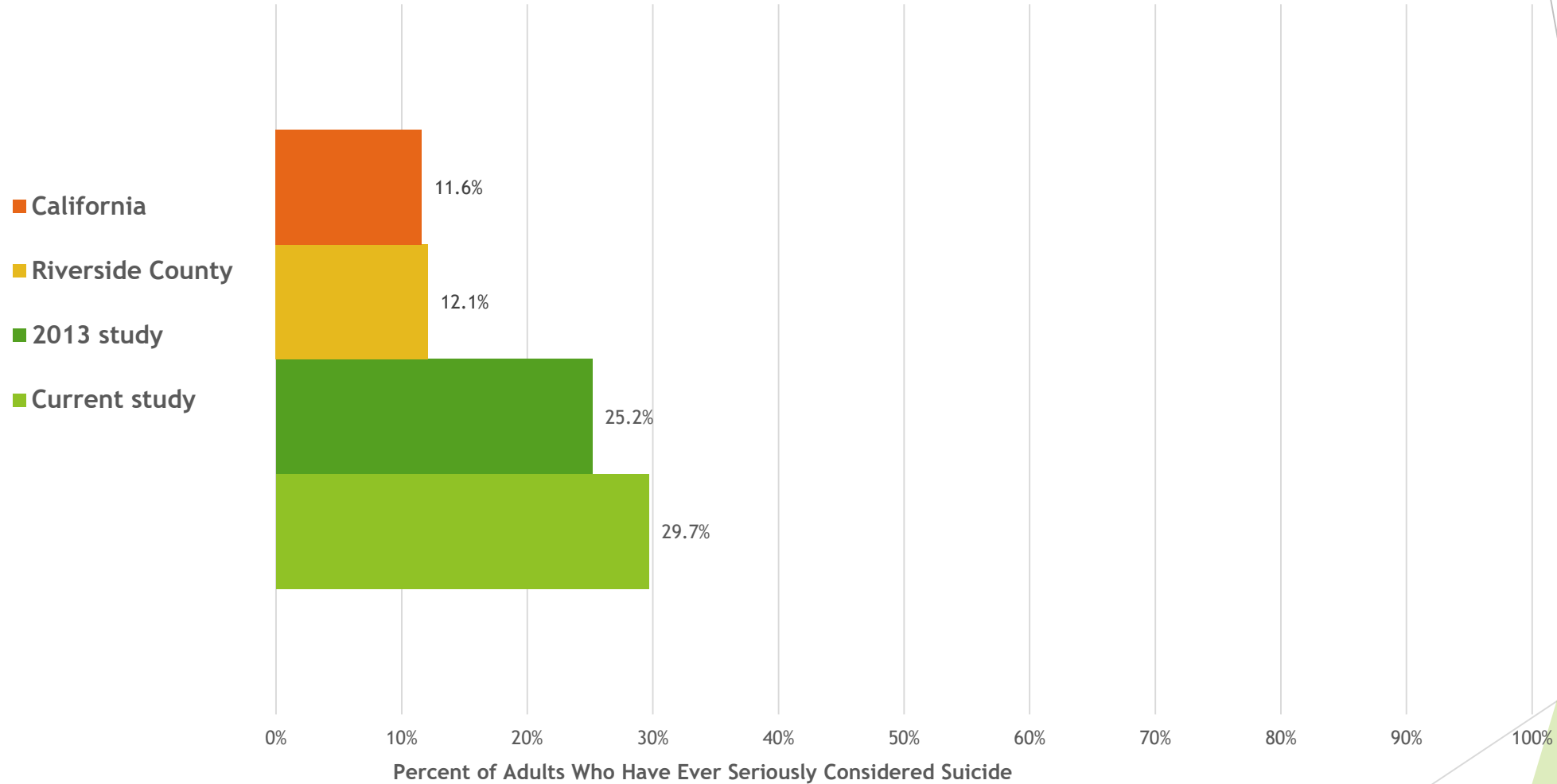
Emotional, Mental, Behavioral Problems

- ▶ 64.8% reported having an emotional, mental, or behavioral problem within the past 12 months vs. general population 25%
- ▶ Significant increase from 2013 survey (42.6%)
- ▶ Emotional, mental, and behavioral problems remain a major issue in the CV LGBT community

Barriers to Seeking Help

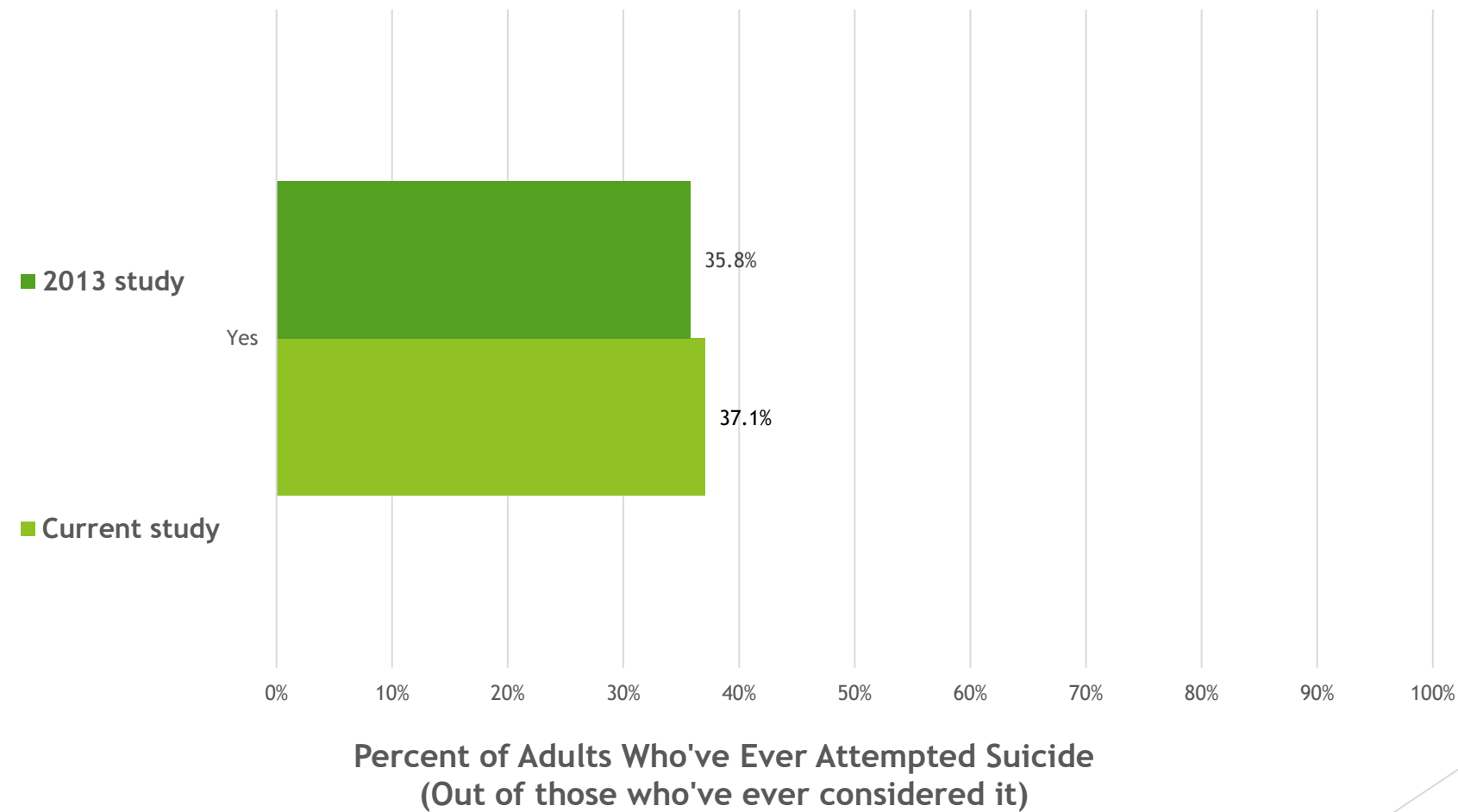
- ▶ “too expensive” (31.3%)
- ▶ didn’t know where to go” (26.5%).
- ▶ Lack of insurance” as a barrier decreased from 2013 to 2019 (result of Affordable Care Act?)
- ▶ fear of negative repercussions or mental health stigma increased substantially between 2013 to 2019. (result of current political climate?)

Figure 6. Ever Seriously Thought About Death by Suicide



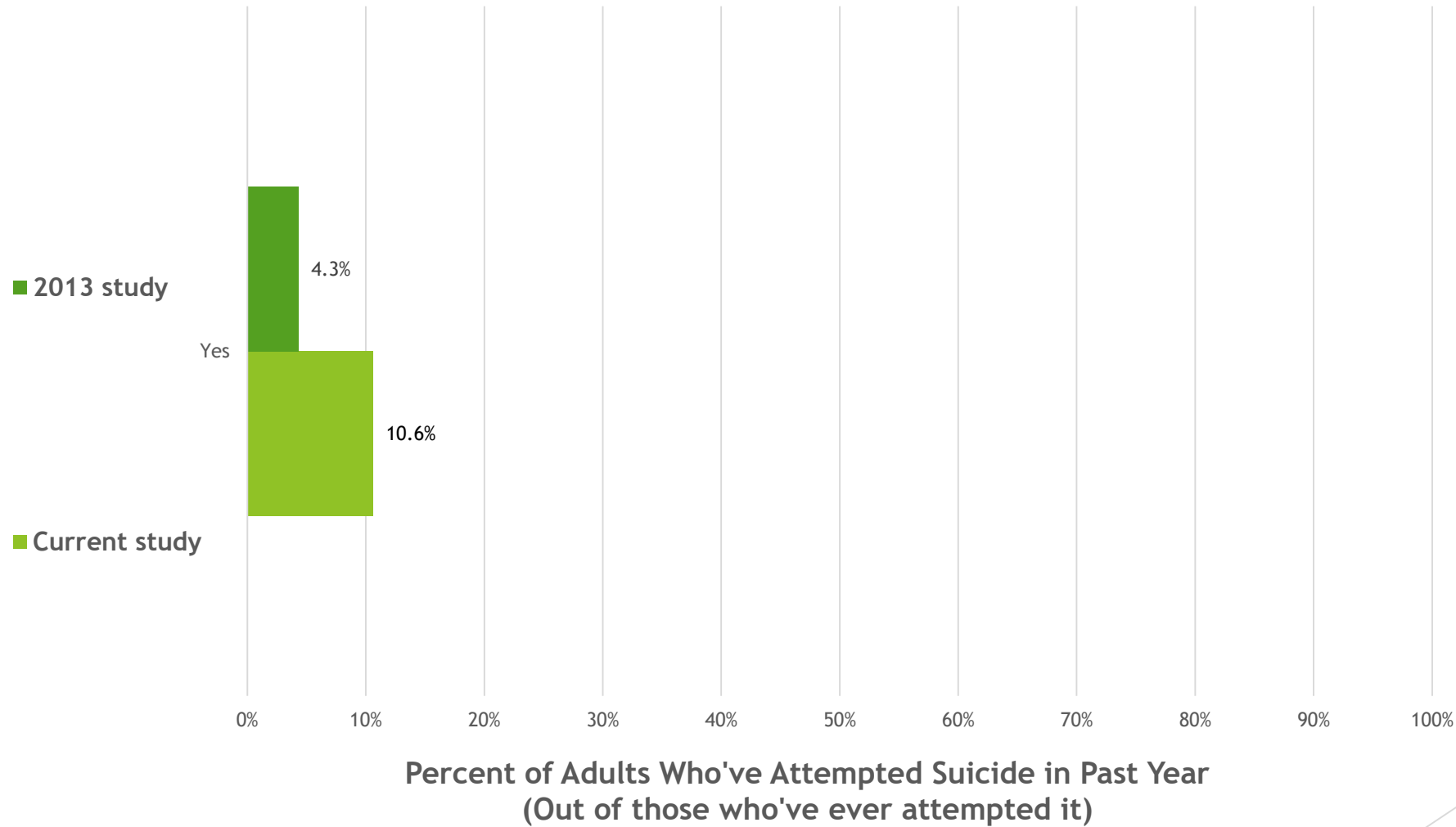
Note: Current study $n = 559$; 2013 study $n = 758$. Riverside County and California data are from the 2017 California Health Interview Survey (CHIS).

Figure 8. Ever Attempted Suicide



Note: Current study $n = 166$; 2013 study $n = 198$

Figure 9. Attempted Suicide in Past Year



Note: Current study $n = 66$; 2013 study $n = 70$.

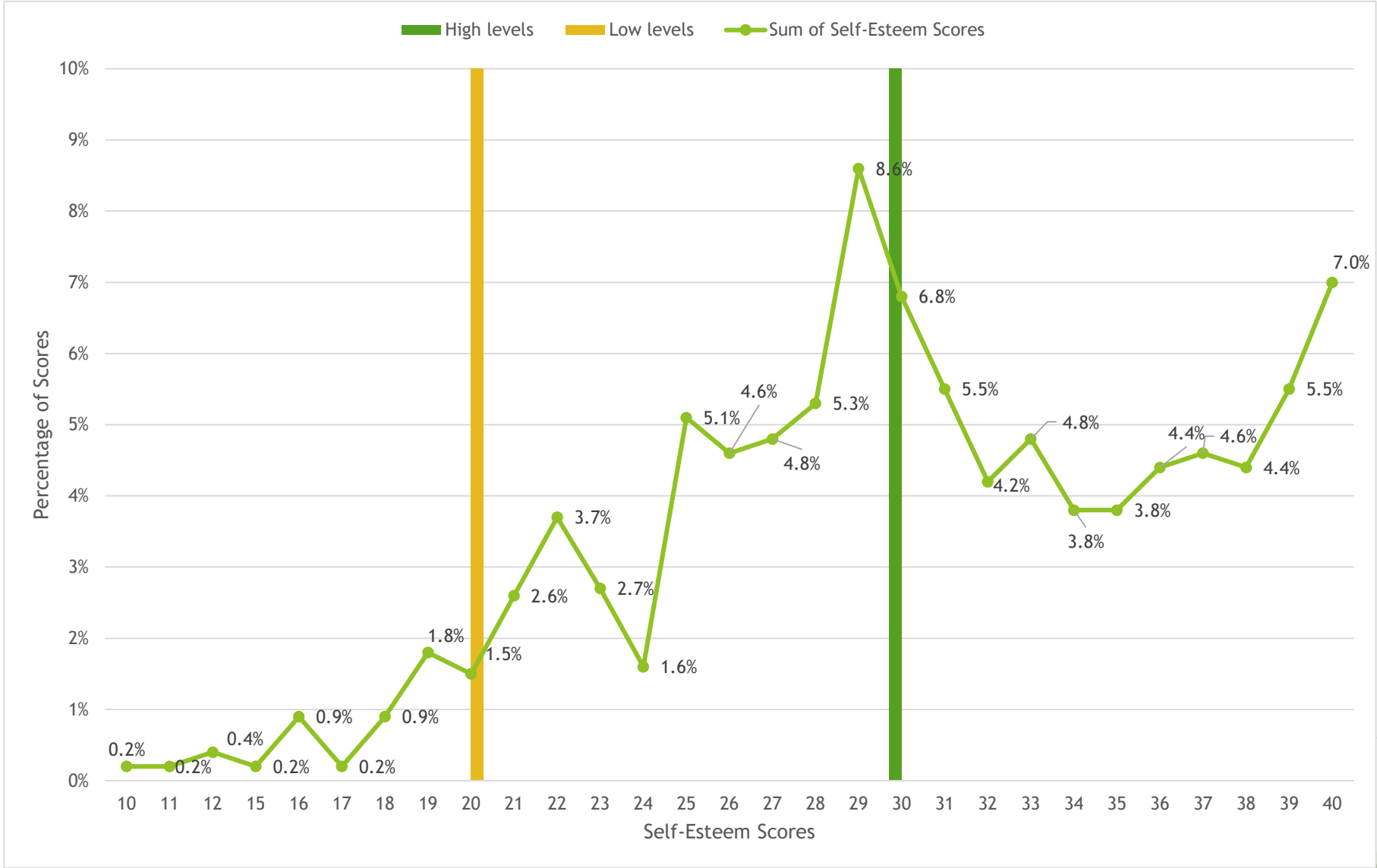
Suicide

- ▶ 29.7% reported they have seriously considered suicide at some point in their lives, a slight increase over 2013 (25.2%) and more than double general pop (12.1%)
- ▶ 46.2% seriously thought about suicide in the past year, increase over the 2013 rate (30.7%) and three times the rate of general pop.
- ▶ Over 1/3 of LGBT adults who've considered suicide have attempted and 7 participants in the current sample have attempted suicide within the past year.

Loneliness

- ▶ 20.9% high levels of loneliness on the ULS-8 scale - 1 out of 5 participants
- ▶ 44.3% had scores indicating lower levels of loneliness, indicative of positive social support and connectivity.
- ▶ The average loneliness score in the current study was 17.9, while the 2013 study average loneliness score was 15.4

Figure 11. Distribution of Self-Esteem Scores

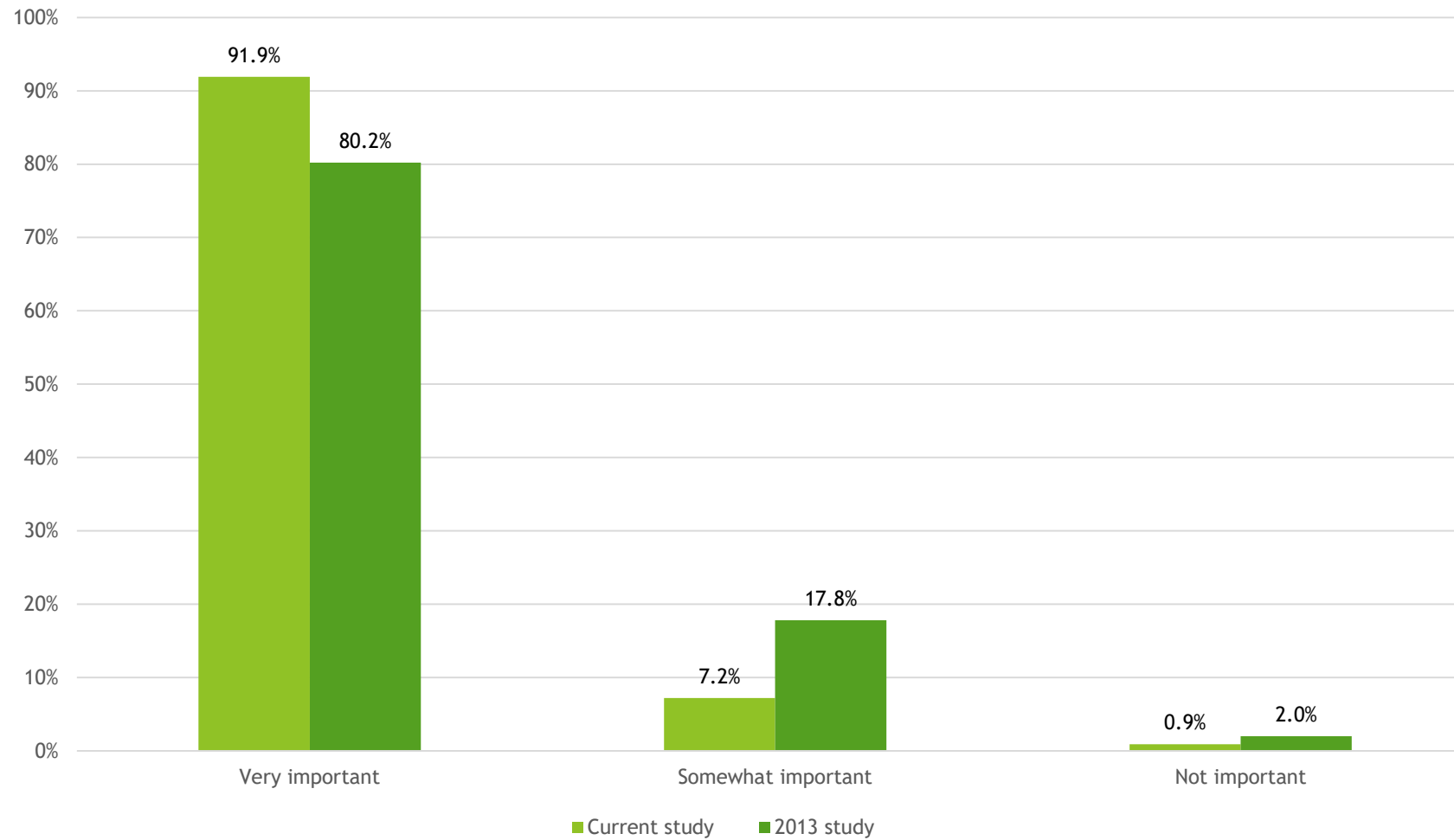


Note: $n = 546$.

Self-Esteem

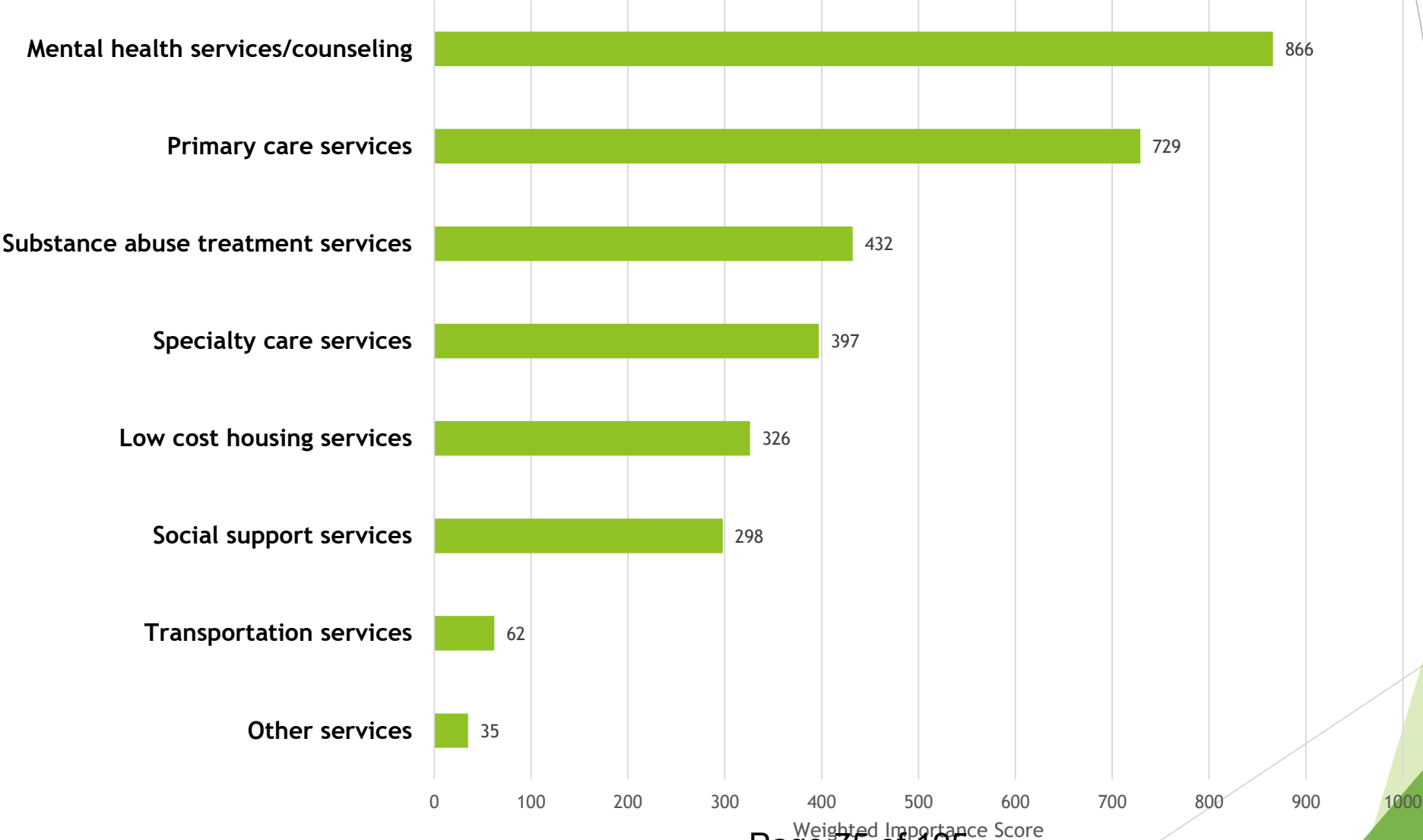
- ▶ 6.2% of participants low self-esteem on Rosenberg Self-Esteem Scale
- ▶ 54.8% had scores indicating high levels of self-esteem.
- ▶ The average self-esteem score 30.4 vs. 2013 study average 33.2

Figure 12. Importance of Low-Cost LGBT-Specific Counseling



Note: Current study $n = 529$; 2013 study $n = 706$.

Figure 13. Most Needed Health Services for the LGBT Community



Importance of Low-Cost Counseling

- ▶ *“How important is it to the Coachella Valley to have low-cost counseling services specifically for the LGBT community?”*
 - ▶ **98% -very or somewhat important vs. 2013 study percentage (80.2%).**
- ▶ *“Please rank, in order of importance, the top three services you believe are the most needed for the LGBT community in the Coachella Valley.”*
 - ▶ **#1: “mental health services/counseling**
 - ▶ **#2: primary care services**
 - ▶ **#3: substance abuse treatment services**

Compared to 2013, “substance abuse treatment services” rose from the #6 need to the #3 need, indicating an emerging need.

Conclusion

- ▶ Need for mental health services has increased since 2013.
- ▶ The most-needed services:
 - ▶ **mental health services/counseling,**
 - ▶ **primary care,**
 - ▶ **substance abuse treatment**
- ▶ Major barriers to receiving mental health treatment:
 - ▶ **Expense**
 - ▶ **Stigma**
 - ▶ **Accessibility (where to go)**
- ▶ **Suicidal ideation** remains high among the LGBT community
- ▶ Future focus:
 - ▶ **provide more low-cost mental health services,**
 - ▶ **reduce stigma,**
 - ▶ **reduce suicide risk in the older LGBT community.**



Date: July 23, 2019
To: Board of Directors
Subject: Proposition 68: Build, Refurbish, or Extend Parks in Underserved Areas

Staff Recommendation: Informational Only. To inform the Board of Proposition 68.

Background:

Through Proposition 68, a total of \$254 million dollars will be made available to build, refurbish, or extend parks in underserved communities. Locally, the cities of Cathedral City, Coachella and Palm Springs, along with the unincorporated area of Mecca, are applying for these grant funds. The deadline for the applications is August 5.

The application for the Prop 68 grant funds utilizes a point system, a section of that application asks for the support of a healthcare organization, such as the DHCD. The applying cities are also required to host a series of community forums to engage and receive feedback from the community.

Staff has participated in at least one of several community forums at each city. Below is a summary of the feedback provided by the community.

• **City of Cathedral City**

- The proposed park located in the Dream Homes area.
- Park amenities include:
 - Skate park
 - Soccer fields
 - Multigenerational playground
 - Shaded area with restrooms
 - Possible dog park
- Very high community support partly due to the Dream Homes Initiative, CV Link, and new school.
- Concerns include:
 - Increased traffic
 - Homeless problem
 - Security after hours or sundown
- Applicant: City of Cathedral City

• **City of Palm Springs**

- The proposed park located at the end of North Sunrise Way near the Four Seasons community development
- Park amenities include:
 - Dog park
 - Multigenerational playground
 - Soccer fields
 - Shaded area with restrooms

- Community support is divided
 - Concerns include:
 - Four Seasons community residents don't want the park located there because of the homeless issues, increased traffic, and parking on their streets.
 - Applicant: City of Palm Springs
- **City of Coachella**
 - The proposed park will be an expansion of the Rancho Las Flores Park
 - Park amenities include:
 - Walking trail
 - Soccer fields
 - Splash area
 - Outdoor gym
 - Shaded area with restrooms
 - Community support is strong
 - Concerns include:
 - Location of the Light House dispensary from the park
 - Existing park...parks needed in other areas of the city
 - Applicant: City of Coachella
 - **Mecca Regional Sports Park**
 - The proposed park will be next to the Boys and Girls Club of Mecca
 - Park amenities include:
 - Soccer fields
 - Softball/Baseball fields
 - Volleyball courts
 - Walking path
 - Splash area
 - Shaded area with restrooms
 - Community support is strong
 - Concerns include:
 - Homeless sleeping in the area
 - Security
 - Lighting
 - Private sports league usage and limiting community usage
 - Applicant: Riverside County

Fiscal Impact: None



Date: July 23, 2019
To: Board of Directors
Subject: National Innovative Communities Conference

Recommendation:
Information Only

Background:

- On June 18 and 19, staff attended the 2019 National Innovative Communities Conference hosted by Reach Out and Partners for Innovative Communities.
- The goal of the conference was to listen to innovative, cutting-edge community health strategies and ideas, and have the opportunity to make connections with key leaders and stakeholders who work to create a high quality of life for all communities and residents in Southern California.
- Conference breakout sessions attended by staff included the following:
 - Exploring the Inspiration, Lessons, and Breakthroughs, from Rural Communities
 - Riverside Community Health Foundation - Transform Your Community! Adult and Youth Leadership Successes in the Healthy Eating Active Living Initiative
 - Perfecting your Survey Development Skill: Why and How?
 - How to Identify and Measure Outcomes vs. Focusing on Outputs for Non-profit Programs/Services
 - Homeless Outreach and Engagement through Community Partnership (HOPE)
 - Placemaking & Profit: Finding Balance in Workforce Housing in the Inland Empire
 - The California Health Homes Program
 - Mental Health in Schools – Moving in New Directions (MIND) and Student Assistance Program (SAP)
- Each session provided valuable understanding of current efforts in the Inland Empire that strive to create equitable environments in schools, businesses and communities through cross-sectoral leadership, economic development, and policy work.
- Attached are detailed notes from the conference breakout sessions.

Fiscal Impact:
None.



DESERT HEALTHCARE DISTRICT & FOUNDATION

2019 National Innovative Communities Conference

June 18-19, 2019

Ontario Convention Center

2000 E. Convention Center Way, Ontario, CA 91764

Exploring the Inspiration, Lessons, and Breakthroughs, from Rural Communities

Panel: Sahara Huazana, Gail Wadsworth, Jeremy Hobbs, Leslie Lujan, and Nancy Jalomo

- California Institute for Rural Studies (CIRS) came into the eastern Coachella Valley (CV) to work on primary data collection to show that disparities do exist. In order to do this work, they partnered with Building Healthy Communities.
 - Partnered with UC Davis in 2013 to conduct an environmental vulnerability study for the Coachella Valley (addressing contaminated wells, dump locations, subsidized housing, etc.).
 - The study revealed that CV is a cumulative environmental vulnerability location.
 - This study was presented to Riverside County and ultimately helped to integrate an environmental justice element into the county's General Plan.
 - CIRS conducts community-directed research – currently working on analyzing a randomized survey study of 1,800 in the CV that will be available by the end of 2019.
- Alianza CV: the only alliance in the Coachella Valley bringing together community members, nonprofits, and government to lead efforts for a thriving region.
 - One main focus of Alianza is blind spots within the environmental justice movement.
 - They are heavily focused on the importance of community participation.
 - Communities should set the priorities of what organizations should work on.
 - Community members are the better experts.
 - The idea behind environmental justice is that all people regardless of where they live, social status, or race should be able to enjoy an environment that is conducive to a healthy livelihood.
 - Environmental justice seeks to address the disproportionately negative impact of poor environmental conditions, both in the natural and built environment, on vulnerable populations.
 - When dealing with rural communities it is important to have them drive change, have the community prioritize issues, organize to create systems change, not compete with other nonprofits, empower and allow others to advocate for themselves.
 - It is important to build the capacity of community members/CBOs.
 - Focus on root causes and creating civic engagement.
 - Alianza's Youth Council – empowers the young generation.

- Alianza started to look at public health through the lens of community first, then creating accessible engagement to identify the unique and geographic-specific pollution burden for each community and region, viewing the issue and engagement as one process, with transparency and accountability, and uplifting local knowledge.
- What is unique about what is going on in the CV?
 - More people willing to speak out, comfortable and empowered.
 - In 2017, CIRS hosted a meeting in North Shore about the Salton Sea inviting all stakeholders and residents. They structured the meeting to allow the first two hours to be devoted to community members sharing their lived experiences.
 - This allowed the meeting to shift power from politics to the residents.
 - The Salton Sea's 10-year management plan is focused on dust suppression and habitat conservation. People are taking control and sharing their reality with the hopes of public health being the focus of the 10-year plan.

Riverside Community Health Foundation - Transform Your Community! (East Side HEAL Zone Initiative) Adult and Youth Leadership Successes in the Healthy Eating Active Living Initiative

Health Panel: Nelly Telleria, Dr. Shene Bowie Hussey, Ceclia Arias, Ra'Niesha Bratton

- Riverside County Health Coalition was awarded a grant in 2012 to start the HEAL initiative strategies to reduce caloric consumption, increase consumption of healthy foods/beverages and increase physical activity and was awarded additional funds to create a community action plan.
 - Mission: to improve the health and well-being of our community.
 - Vision: to inspire a healthy, happier, and more active community for generations to come.
 - Values: partnership, leadership, inclusiveness, integrity, community and teamwork.
- HEAL RX: writing prescriptions for exercise, healthy eating, vouchers for fresh food = system effort.
- Resident leadership academy: 10-12-week program
- Healthy Living Project Youth Club: equip youth with the appropriate resources to promote social and environmental changes that are positive and sustainable in their community.
 - Finding ways to bring together youth, parents and organizations.
 - Working with corner stores – helping to build capacity with infrastructure to house fresh food, healthier marketing and community murals.
 - Park rehabilitation: bringing neighbors and families together, painting murals to make it more welcoming, populate the park with healthy, safe activities.
- Sustainability/transitional program phase
 - Riverside Community Health Foundation is keeping HEAL Zone staff on.
 - Kaiser is providing a small grant of sustainability funding.
 - Looking at the Transformative Climate Communities Grant - empowers the communities most impacted by pollution to choose their own goals, strategies,

and projects to reduce greenhouse gas emissions and local air pollution (CA Strategic Growth Council).

- What were the key factors that made the collaborative a success?
 - Key partnerships, active listening to the community voice, support and trust within the community, training of residents, relationship building and keeping the trust, not just checking a box, you need flexibility, invest in your residents, youth, parents, all levels.
- How has the community supported the initiatives?
 - Community development block grant, bringing in entities that could support the work.
 - Training the resident leaders and have them relay the information back to their communities.
 - Neighborhoods are invested in the youth, they welcome them.
 - When you see high leadership also supporting the initiatives, you see the support grow.
- Outside of working to reduce childhood obesity, what other benefits came out of this initiative?
 - Refreshing corner stores facility increased foot traffic and increased profits because the store felt more welcoming.
 - “Glow Up” event went beyond a celebration of six years of Eastside HEAL, people came together regardless of race, culture, ethnicity, etc. to a park that was historically unsafe and dangerous.
 - Found a creative way to engage youth: drawing murals and converting alleyways.
 - Mentorship and family involvement.
 - Children felt that their voice is heard.
- What advice would you give to others about a HEAL initiative?
 - Be an active listener, meeting with stakeholders and residents regularly, being flexible working with the community, to not be afraid of challenges, always learn.
 - Being patient and realizing youth are our future, let them come into things on their own, don’t tell them what to do.
- How did you engage the community?
 - Word of mouth, use of the partnerships with schools, use of your resources to reach others, partner effort to recruit, social media, flyers, calling, breaking into neighborhood groups because they are already established.

Perfecting your Survey Development Skill: Why and How?

Panel: Yu Zhang

Placemaking & Profit: Finding Balance in Workforce Housing in the Inland Empire

Panel: Al Zelinka, Scott Ochoa, Jonathan Weldy, Jimmy Elrod, Dave Osborne, Duane Baker

- 16.3% increase in housing prices/rents Riverside County from 2012-2017, households’ incomes, adjusted for inflation, have declined 5.7%.
- 68,000 families waiting for housing vouchers and the county only has capacity for 1,800.
- Retail follows rooftops — some areas are starting to look at the repurposing of retail centers as we are moving into an online shopping era.

- We should be looking at the price point of our workforce population and then look at lot sizes and house sizes that can be mortgaged based on the average incomes and switch policies to align with the changes.
- Washington: taking abandoned real estate and moving it to small size apartments.
 - Micro living works well if you have a certain type of environment - street lighting, public infrastructure, well-executed, service-oriented to those people.
- Can we shift to increase housing supply? House our workforce?
 - Now becoming a dream.
 - Lack of good paying jobs, we need to find ways to minimize commutes.
 - Wages have to be addressed before any end goal is achievable.
 - All the fees to build take affordability out.
 - We are refusing to support legislation change — we have to give politicians clear direction and support their ability to change.
- How can we take CEQA out of the equation? Where is the roadblock?
 - Labor and VIA have been working with the government to work on ensuring prevailing wage.
 - There needs to be opportunities to level the playing field with CEQA, even if you win in a court you spend hundreds of thousands of dollars.
- We need to redo construction worker redevelopment — strong wages and apprentice programs.
 - Nothing wrong with making a living with your hands, we have lost trade training in schools where some people are better equipped and more likely to thrive.
 - College doesn't have to be the only option — there is a massive effort to get schools and colleges to read opt technical training — 17 programs in the I.E.

The California Health Homes Program

Panel: Winter Koifman, Carolyn Rivera, Dr. Elise Pomerance

The California Health Homes Program (presentation overview) -

https://www.dhcs.ca.gov/services/Documents/MCQMD/HHP_Program_Overview_Slides_4-19.pdf

Winter@harbageconsulting.com

Examples of current Health Homes Initiatives

- Molina Health Care - Health Homes
 - Using data to generate TEL and understand population.
 - Emphasis on set and connecting members to community-based services.
 - Partnerships with agencies that have expertise in housing.
 - Common case management application — inhouse and keep everything in one “program” so you can see everything happening with the member, see all the notes and data.
 - Supporting CB-CMEs with initial outreach, implementation and ongoing support.
 - What’s next for Molina with Health Homes? SMI implementation, analyzing best practices in initial outreach, understanding program patients, improving strategies for working with homeless members, evaluating member outcomes.
 - Health_homes_program@MolinaHealthCare.com
- IEHP - Health Homes
 - IEHP conducted an analysis to identify high-volume providers (reviewed data to identify eligible members, where they receive care, etc.), go-live solicitation

document, HHP kick-off meeting, in-person meet and greet, HHP readiness checklist, contract.

- This frees up time for the provider by not having to navigate and connect their patient to services outside of their scope.
- Model 1: provider-based teams embedded onsite at practices (38 care teams).
- Model 2/3: plan-based regional teams serving patients in low-volume practices & high-volume regions — for providers that don't have enough demand to have an entire care team within their office (10 care teams).
- Requires comprehensive care management
- Over 5,000 currently enrolled and they have the capacity to enroll 9,600.
 - 50,000 are eligible; what about the others once capacity is met? They will add more care teams, participation rate in other states was 25% so they projected at 25% but are monitoring and will adjust if participation rate exceeds what's expected.

Mental Health in Schools – Moving in New Directions (MIND) and Student Assistance Program (SAP)

Panel: Rehman Attar

- Why deliver mental health services in schools?
 - Most children and youth, even those with insurance, do not have access.
 - Prevention (MIND) and intervention in schools (SAP).
- MIND Program — provide behavioral/mental health training and support high school students and staff so that students will pursue behavioral/mental health careers, the school will be safer.
 - Ratio of healthcare workers in the Inland Empire is 1:34 to Orange county 1:24.
 - Two components:
 1. Career development (behavioral health trainings and educational navigation)
 - Classroom-based, career development trainings delivered by behavioral health professions in the region, including: safe TALK, youth mental health first aid, question-persuade-refer, cultural competency, mental health law/ethics/boundaries training.
 - Frame it in a way that provides an entire set of knowledge.
 - Facilitated by behavioral health professional.
 - Three-year program that starts sophomore year.
 - Youth mental health training prepares students to recognize the signs and symptoms of mental health disorders such as depression, anxiety, addiction, psychosis. Support, diffuse the situation and encourage professional help.
 - SAFE TALK: prepares students to identify individuals with the thoughts of suicide and how to provide appropriate resources.
 - How is this going to help? The students are now enabled.
 - ASIST suicide: for older youth to help create plans with those they think are suicidal.
 2. School climate building (project-based learning)
 - Students organize and implement on-campus outreach and advocacy initiatives focusing on behavioral health topics highlighted in the career development trainings, such as NAMI club/school campaigns.

- Staff professional development: trainings for teachers, counselors, and administrators focusing on increasing knowledge of teen behavioral health issues and skills in addressing those issues.
 - Externship training to expose staff to a behavioral health setting.
- How do they know if the program is working? Data collection with pretest/posttest.
- SAP Program - Empower students to make better decisions.
 - Increase school attendance and reduce engagement in problem behaviors and support social/emotional development.
 - Curriculum that students go through: incorporating peer involvement, school and community collaboration and parent participation, SAP encourages collaboration.
- How do you get these programs in the school? Do you first start conversations with school districts or individual schools? How to you get the students to participate?
 - Relationship building with the schools, works with student services at the districts and college readiness; it is a very structured program and it is challenging to get schools on board; did a pilot program to show success; did an MOU to show responsibilities of each component the school/reach out/etc. and how to make it sustainable; the main goal is to be out of the school in 10 years but have the program remain sustainable.
 - Work with the county to get the programs in school.
 - Youth mental health first aid is an 8-hour training, kids must be 16+.
 - Can special needs students be referred to the program? Depends on the intervention specialist credentials.

How to Identify and Measure Outcomes vs. Focusing on Outputs for Non-profit Programs/Services

Panel: Dr. Jessica Martone: Director of Research and Evaluation at SmartStart Evaluation and Research

- Evaluation is not:
 - Audit
 - Compliance check
 - Pointing fingers
 - Quality control
- Conversations about the evaluation component of any good community-based program must begin with the program design.
- Variances in programs will require different types of evaluations or, in some cases, both types.
 - Qualitative
 - Quantitative
- What is your measurement tool?
 - Is it evidence-based?
 - Is it proven?
 - Has it been pilot-tested?
 - Translation needed?

- Six steps of Program Evaluation
 - Establish stakeholders
 - Explain what the program is about
 - Select design
 - Collect data
 - Conclusions/Analysis
 - Recommendations
- Resources:
 - Outcomes evaluation: Step-by-Step: www.evaluate.org/webinar/mar19/
 - Data Matters: Measuring and Understanding Your Impact
www.grantsspace.org/training/2019-03-21-data-matters-measuring-and-understanding-your-impact/
 - EvalFest: www.evalfest.org

Homeless Outreach and Engagement through Community Partnership

Panel: Deputy Aaron Halloway, San Bernardino County Sheriff Department

- The Homeless Outreach and Proactive Enforcement (H.O.P.E.) program is a proactive approach intended to ultimately reduce calls for service and other resources currently required to deal with the homeless population.
- The H.O.P.E. program aims to balance pro-active outreach with enforcement of the law, while connecting members of the homeless population with resources that may help them transition from homelessness.
- The objective is to stop the revolving door of arrest/incarceration/ release regarding homeless related crimes.
- Personnel assigned to the H.O.P.E. team will each be responsible for a region of the county to connect with resources, service providers, and points of contact for each station.
- The H.O.P.E. Team is a four-man team assigned throughout the County.
- Community members can report homelessness activity via the Homeless Activity Reporter survey.
 - Reports submitted by the community will be followed up on by the H.O.P.E. team and other county agencies.
- The H.O.P.E. team will assist each station by helping deputies to connect with needed resources, as well as providing resource information that can be given to the homeless upon contact.
- Resources:
 - San Bernardino County Homeless Resource Guide:
<http://wp.sbcounty.gov/sheriff/wp-content/uploads/sites/17/2017/07/resource-guide-2016-for-web.pdf>



DESERT HEALTHCARE DISTRICT
SPECIAL MEETING OF THE FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
July 9, 2019

Directors Present	District Staff Present	Absent
Chair/Treasurer Mark Matthews – <i>Telephonic</i> Director Arthur Shorr – <i>Telephonic</i>	Chris Christensen, Interim CEO and CFO Stephen Huyck, Accounting Manager Andrea S. Hayles, Clerk to the Board	Vice-President Leticia De Lara

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Matthews called the meeting to order at 3:00 p.m.	
II. Approval of Agenda	Chair Matthews asked for a motion to approve the agenda with the addition of the lease agreement for Brad A. Wolfson, M.D. – Suite 2W 101.	It was moved and seconded (Chairman Matthews, Director Shorr) to approve the agenda with the addition of the lease agreement for Brad A. Wolfson, MD, Suite 2W 101. Motion passed unanimously.
III. Public Comment	None	
IV. Approval of Minutes 1. F&A Minutes – Meeting June 11, 2019	Chairman Matthews asked for a motion to approve the F&A Committees minutes.	It was moved and seconded (Chairman Matthews, Director Shorr) to approve the minutes. Motion passed unanimously.
V. CEO Report	See Chief Financial Officer's report.	
VI. Chief Financial Officer's Report 1. LPMP Leasing Update	Chris Christensen, Interim CEO, explained the three-year lease agreement for consideration of approval for Dr. Wolfson – unit 2W 201 – \$2 per square foot. The marketing company continues to advertise and promote the vacant units at Las Palmas Medical Plaza.	
VII. Financial Reports 1. District and LPMP Financial Statements 2. Accounts Receivable Aging Summary	Chris Christensen, Interim CEO, explained the preliminary audit in May noting over \$10M in revenue and \$3M net income due to the investments, and	It was moved and seconded (Director Shorr, Chair Matthews) to approve the June 2019 District Financial Reports - Items 1-10 and to forward to the Board for approval.

DESERT HEALTHCARE DISTRICT
SPECIAL MEETING OF THE FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
July 9, 2019

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>less spending of \$230K with the CEO and COO vacancies. The property tax receipts exceeded the budget based on favorable real estate values. The Retirement Protection Plan consulting firm is working on the actuarial report for any adjustments on the upcoming final audit.</p>	<p>Motion passed unanimously.</p>
VIII. Other Matters 1. Consideration to approve Las Palmas Medical Plaza Landscape Service Proposal	<p>Chris Christensen, Interim CEO, explained that the architect recommended Desert Modern Landscape, and the committee's request for additional landscape service proposals. Mr. Christensen provided an overview of the TKD Associates, RGA Landscapes, and Desert Modern Landscape.</p> <p>Director Shorr moved to select Desert Modern Landscape which is familiar with the project and the Las Palmas Plaza.</p>	<p>It was moved and seconded (Director Shorr, Chairman Matthews) to approve and forward to the Board for approval. Motion passed unanimously.</p>
2. Consideration to approve the Las Palmas Plaza Suite 1W 201 – Wolfson Lease Agreement	<p>As described in item VI, the three-year lease renewal is \$2 per square foot base rent, and a Tenant Improvement Allowance (TI) of \$8 per square foot for a three-year lease.</p>	<p>It was moved and seconded (Director Shorr, Chairman Matthews) to approve the Wolfson lease agreement and forward to the Board for approval. Motion passed unanimously.</p>
IV. Adjournment	<p>Chairman Matthews adjourned the meeting at 3:30 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>



**DESERT HEALTHCARE DISTRICT
SPECIAL MEETING OF THE FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
July 9, 2019**

ATTEST: _____
Mark Matthews, Chair/Treasurer Finance & Administration Committee
Desert Healthcare District Board of Directors

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

DRAFT



Date: July 23, 2019

To: Board of Directors

Subject: Las Palmas Medical Plaza Streetscape Design – Landscape Architect service agreement proposals

Staff Recommendation: Consideration to approve a Las Palmas Medical Plaza landscape design service agreement with Desert Modern Landscape.

Background:

- At the March 26, 2019 Board of Directors meeting, the Board engaged the services of D.W. Johnston to upgrade the fire sprinkler system and infrastructure at the Las Palmas Medical Plaza
- The scope of D.W. Johnston's work involved removing the property's current streetscape to run underground piping, followed by bringing the streetscape back to existing condition.
- The landscape and irrigation system have not been upgraded in several years, with inefficient water conservancy irrigation and limited drought tolerant plant life.
- Upgraded landscape will also provide an increased aesthetic appeal to the property.
- Now would be the appropriate time to consider installing the appropriate landscape.
- The process will require a landscape design be completed by a landscape architect. Chris Mills, Architect, will obtain City of Palm Springs approval of the design, followed by requesting a cost estimate to complete the installation, which will be brought before the Committee at a later date.
- At the June 11, 2019 F&A Committee Meeting, a proposal by Desert Modern Landscape Design was presented to the Committee
- The Committee tabled the item and directed staff to return at the July 9, 2019 F&A Committee Meeting with proposals from two additional landscape architects
- The landscape design proposals from TKD Associates, RGA Landscape Architects, and Desert Modern Landscape are included for your review
- At the July 9, 2019 F&A Committee Meeting, the Committee recommended forwarding Desert Modern Landscape's service agreement to the Board for approval
- Staff recommends engaging the services of Desert Modern Landscape.
 1. Fees are inclusive of all labor and expenses
 2. Architect recommendation – Landscape design firm for the Stergios Building.

Fiscal Impact:

Landscape Architect – See Fee Schedule included

Landscape Installation – TBD following City of Palm Springs approval and cost estimate completed.



	TKD Associates	RGA Landscapes	Desert Modern Landscape
Streetscape	4,500	19,000	19,900
Parking Lot	3,200	8,900	5,700
Interior Courtyards	2,800	15,500	6,050
Site Analysis/Preliminary Plans	7,800		
Design Development/City Submittal	4,600		
Site Observation	2,400		
Total	\$ 25,300	\$ 43,400	\$ 31,650
Package Discount		\$ 39,060	
Irrigation Design Included?	Yes	No	Yes
Additional Expenses	Billable Hours Reimbursable Expenses	Billable Hours	



TKD ASSOCIATES, INC.
Land Planning Landscape Architecture
Water Conservation

June 21, 2016

Mr. Chris Mills, Architect
Prest Vuksic Architects
44-530 San Pablo Ave, Suite 200
Palm Desert, CA 92260
ChrisM@prestvuksicarchitects.com

RE: Landscape Architectural Proposal for Las Palmas Medical Center, Palm Springs

Dear Chris,

Please find attached our Design Proposal for the Rancho Las Palmas Medical Center.

Our Proposal includes the development of a project Master Plan for City Submittal and Approval, and a breakdown of final construction documents for the various site areas for construction phasing.

As you know we are very familiar with the project site from previous hospital work and the design of the adjacent Wellness Park.

Please feel free to call with any questions.

Sincerely,

Thomas K. Doczi, ASLA

Thomas K. Doczi, ASLA
President

71-711 San Jacinto Drive Suite C
Rancho Mirage, CA 92270
Tel: 760.776.1751
tkd@tkdinc.net



TKD ASSOCIATES INC.

Planning – Landscape Architecture
Water Conservation

**LANDSCAPE ARCHITECTURAL
SERVICES AUTHORIZATION FORM**

June 21st, 2019

Project Name: **Las Palmas Medical Plaza at 555 Tachevah**
Palm Springs, CA

Client: **Desert Health Care District**
1140 N Indian Canyon Dr.
Palm Springs, CA 92262

Our firm has been requested to perform design services in regard to your project.
These services are:

Scope of Services: See Exhibit "A"

Fee: See Exhibit "B"

Requested By: Christopher Mills, Architect

Approved By: _____
Authorized Signature

Date: _____

T.K.D. Associates, Inc.
71-711 San Jacinto Drive, Suite C
RANCHO MIRAGE, CA 92270
PHONE: (760) 776-1751 / tomd@tkdinc.net



TKD ASSOCIATES INC.

Land Planning -Landscape Architecture
Water Conservation

Scope of Work "A"

6-21-19

Las Palmas Medical Plaza at 555 Tachevah

Palm Springs, CA

Site Analysis /Project Programming / Preliminary Plans

Site Visit and Project kick-off meeting with Board Members

Discuss goals and Objectives

Identify Landscape Character and Patterns

Prepare Project Base Plans

Site Analysis and Inventory of Existing Plant Material and Irrigation System

Selected Areas:

- Streetscape
- Parking Lot
- Courtyard

Prepare Schematic Landscape Design Concepts for Selected Areas

Color Presentation Plans for Board Review

Meet and Review with Committee Members

Design Development / Master Plan / City Submittal:

Develop Preliminary Project Master Plan

Master Plant Palette and Plant Photos

Prepare Landscape Concept for Selected Areas

Preliminary Water Calculations

Develop Preliminary Construction Cost Estimate

Review with Board

Develop Implementation and Phasing Program

Color Presentation Plan and Plant Palette for HOA Board Review

Presentation to Architect and Board Members

Submittal to City of Palm Springs



TKD ASSOCIATES INC.

Land Planning -Landscape Architecture
Water Conservation

Final Design / Construction Documents:

- Master Planting Plan
- Detailed Planting Plan at Selected Areas (to be determined by Board)
- Plant Removal/ Relocation Plan
- Landscape Lighting Plan and Cut Sheets
- Irrigation Plan
- Water Calculations per DWA
- Planting Details
- Irrigation Details
- Construction Bid Document
- Landscape Maintenance Specifications
- Landscape Design Guidelines for Homeowners
- Prepare final review package for the Common Area Landscape Committee and HOA Board

Site Observation / Field Work:

- Pre-Bid Meeting
- Coordination with Contractor
- Identify and Tag Plants for Removal / Relocation Plan
- On-site review of Proposed Plant Material Locations
- On-Site Review of Irrigation Installation
- Preliminary Walk-through and Punch-List
- Final Review and Walk-through

Deliverables:

Streetscape Master Landscape Plan:	1"= 40', 1"=20'
Parking Lot Planting Plan:	1/8" =1'-0"
Courtyard Planting Plan:	1/8" = 1'-0"
Landscape Lighting Plan and Cut Sheets	
Irrigation Plan:	
Planting Details and Irrigation Details	
Landscape Construction Bid Document	
Project Specifications	



TKD ASSOCIATES INC.

Land Planning -Landscape Architecture
Water Conservation

EXHIBIT "B"

FEE SCHEDULE

Las Palmas Medical Plaza at 555 Tachevah

6-21-19

Palm Springs, CA

Site Analysis / Project Program / Preliminary Plans: \$ 7,800.00

Design Development / Project Master Plan/ City Submittal: \$ 4,600.00

Construction Documents:

Streetscape \$4500.00

Parking Lot \$3200.00

Courtyards \$2800.00

Total Design Fee: \$ 22,900.00

Site Observation: Hourly not to Exceed: \$ 2,400.00

Reimbursable Expenses

(Cost plus 10%)

Copies, Blueprints, Plotting Deliverables

Hourly Fee Schedule:

Landscape Architect \$185.00/hour

Designer I 110.00/hour

Computer Time (CADD) 85.00/hour

Draftsperson 65.00/hour

Secretarial 55.00/hour

Fee Schedule:

Monthly billing based upon percentage of completion.

TKD Associates, Inc.
71-711 San Jacinto Drive, Suite C-2
Rancho Mirage, CA 92270
Phone: (760) 776-1751 / Tkd@tkdinc.net

June 27, 2019

Chris Mills
Prest-Vuksic Architects
44-530 San Pablo Ave., Ste. 200
Palm Desert, CA 92260

Subject: Proposal for Landscape Architecture Services (RFP 8598)
Las Palmas Medical Facility – Palm Springs, CA

Dear Mr. Mills:

RGA Landscape Architects a Design Studio of MSA Consulting, Inc. (MSA) is pleased to provide you with this proposal for Landscape Architecture Services related to Las Palmas Medical Facility project on East Tachevah Drive between North Avenida Palos Verdes and North Via Miraleste in Palm Springs, CA.

The landscape renovation / design will include a three-part approach to the existing facility landscape planting, irrigation and accent lighting. The goal will be to first observe/document the existing landscape and meet with the Owner and/or Owner's representative to discuss their improvement ideas, concerns, phasing and budget. Our landscape renovation proposal scope will include concept design through the creation of construction documents, followed by bidding assistance, construction observation and coordination of as-builts with contractors.

The three project site areas of our proposal will include the following:

- 1) The building perimeter on E. Tachevah Drive and N. Via Miraleste, planters facing parking lot, west walkway and south alley off on N. Via Miraleste.
- 2) Parking lot
- 3) Courtyard areas (1-4)

These areas will be presented as three separate design scope options that can be selected as standalone design packages or as one overall project design package.

Our proposal is based upon your conversations with Ron Gregory, the information provided to us and our understanding of the City of Palm Springs standards and requirements.

SCOPE OF WORK

MSA (Consultant) proposes to perform the following tasks for each of the selected project site areas:

Task Group 1 – Evaluation and Documentation Phase

1.1. Evaluation and Documentation

- Kick-off meeting with the Client and/or to discuss scope, design vision, goals and schedule.
- Review existing site conditions and document where existing plant material is to be removed or to remain and to identify where existing utilities are located to provide proper clearances or screening as needed.

Task Group 2 – Concept Design Phase

2.1. Conceptual Landscape Plans

- Preparation of conceptual design ideas for areas described in the project description above.
 - a). Includes image boards showing proposed design intent.
- Presentation of the conceptual designs to the Client for discussion and comment.
- Preparation of refined concepts and image boards incorporating Client comments received during the concept presentation.
 - a). Includes one refinement of concept design.
- Presentation of final conceptual designs.

Task Group 3 – Design Development Phase

3.1. Preliminary Landscape Plan

- Preparation of a rendered preliminary level design incorporating any comments received during the concept phase.
 - a). Includes proposed plant selections and accent lighting.
 - b). Includes a preliminary estimate of probable construction costs.
- Presentation of the preliminary designs to the Client for discussion and comment.
- Incorporation of any comments from the Client and submittal to the City of Palm Springs for review and comment.
- Coordination of the approval through the City of Palm Springs.

Task Group 4 – Construction Document Phase

4.1. Construction Documents

- Preparation of construction drawing level landscape plans, incorporating any additional comments received in the design development phase, to include the following:
 - a). Planting plan indicating existing plant material that is to remain and all proposed plant material in both common and botanical names, quantities, container sizes and water use requirements.
 - b). Automatic irrigation notes, equipment callouts and water use calculations. (*Irrigation system to be field modified by contractor.*)
 - c). Accent lighting plan limited to the indication of fixture specification, locations, types and quantities only. (*Electrical engineering and panel sizing by others.*)
 - d). Specifications and details.
- Estimate of probable construction costs.
- Coordination of approvals through the City of Palm Springs, Desert Water Agency and Riverside County Agricultural Commissioner. (*See Task Group 5 below for coordination and processing of construction documents.*)

Note: We must be in receipt of a preliminary grading and site plan prior to commencement of construction documents. This plan shall indicate property lines, easements, R.O.W. grades, wet and dry utilities and building footprints.

Task Group 5 – Miscellaneous

5.1. Meetings, Coordination and Processing

Coordinate and meet with Client, Client's design team and Agency staff as needed to prepare and process the landscape design from Conceptual Design Phase through The Landscape Construction Document submittal and processing. We have provided an initial estimated allowance for each selected site area in the fee section below. Should a greater level of effort be required, additional time will be invoiced on an hourly basis.

Task Group 6 – Construction Phase Services

After the completion of construction documents, and when requested by the Client or Client's authorized representative, we will provide the following services invoiced on a time and materials basis:

6.1. Office Based Support Services

- Phone coordination / discussions in support of the project with contractors, the Client or government agencies.

- Office based meetings with the Client or contractor
- Submittal reviews
- RFI (request for information) reviews and responses
- Clarification drawings or exhibits
- Construction document revisions requested by the Client

6.2. Site Evaluations and Meetings

Site evaluations and meetings are provided when requested by the Client or Client's Representative. Site evaluations are limited solely to aesthetic review of landscape and hardscape depicted on construction documents prepared by RGA. Each evaluation will be followed by a written report.

DELIVERABLES

MSA will be developing the following:

Conceptual Design Phase

- Conceptual Design – Rendered (Qty. 1)
- Image Board (Qty. 1)

Design Development Phase

- Preliminary Design – computer generated with planting and accent lighting layout.
- Preliminary Opinion of Probable Construction Costs

Construction Document Phase

- Landscape Construction Document Submittal package including:
 - Planting Plan
 - Automatic Irrigation Notes, Equipment Callouts and Water Use Calculations
 - Accent Lighting
 - Installation Details
- Final Opinion of Probable Construction Costs
- Landscape Specifications

Construction Administration Phase

- Exhibits, plans, contractor RFI responses and office support as requested.

CLIENT RESPONSIBILITIES

This proposal assumes that Client will provide the following:

1. Client, or Client's representative, to provide direction to MSA as necessary.
2. Provide access to site as needed.

EXCLUSIONS

Consulting services relating to any of the following tasks are presently excluded from the agreement. Some items, if required, may be provided by MSA with/or other consultants under separate agreement:

1. All engineering design including, but not limited to, civil, grading, geotechnical, drainage, electrical, hydraulic and structural. RGA may, as part of the stated scope of work, coordinate some engineering services, but it is understood that any engineering will be provided by licensed engineers.
2. Department of Real Estate exhibits and cost estimates.
3. LLMD exhibits and cost estimates.
4. Hardscape design.
5. Irrigation System Design.
6. Off-site improvements.
7. Bid coordination services.

COMPENSATION

Client agrees to compensate Consultant for such services as follows. Costs shown are fixed fee and will be invoiced on a percent complete basis except those identified as hourly or hourly estimates.

Task/Description	Fee
Project Site Area #1	\$19,000
1.1 Evaluation and Documentation	\$2,500
1.2 Conceptual Design Phase.....	\$6,500
1.3 Design Development Phase.....	\$5,500
1.4 Construction Documents Phase.....	\$3,000
1.5 Miscellaneous (est. 10 hours)	\$1,500
1.6 Construction Phase Services	Hourly
<i>Initial here to select Site Area #1</i>	
Project Site Area #2	\$8,900
1.1 Evaluation and Documentation	\$500
1.2 Conceptual Design Phase.....	\$3,000
1.3 Design Development Phase.....	\$2,500
1.4 Construction Documents Phase.....	\$2,000
1.5 Miscellaneous (est. 6 hours)	\$900
1.6 Construction Phase Services	Hourly
<i>Initial here to select Site Area #2</i>	
Project Site Area #3	\$15,500
1.1 Evaluation and Documentation	\$2,500
1.2 Conceptual Design Phase.....	\$5,000
1.3 Design Development Phase.....	\$4,000
1.4 Construction Documents Phase.....	\$3,000
1.5 Miscellaneous (est. 8 hours)	\$1,000
1.6 Construction Phase Services	Hourly
<i>Initial here to select Site Area #3</i>	
All Project Site Areas (reflects 10% discount for concurrent design).....	\$39,060
1.1 Evaluation and Documentation	\$4,950
1.2 Conceptual Design Phase.....	\$13,050
1.3 Design Development Phase.....	\$10,800
1.4 Construction Documents Phase.....	\$7,200
1.5 Miscellaneous (est. 22 hours)	\$3,060
1.6 Construction Phase Services	Hourly
<i>Initial here to select All Site Areas</i>	

The proposed Agreement contained herein, shall be valid until December 31, 2019. The attached Scope and Fee, Standard Contract Provisions, dated January 1, 2019, and supplemental documents, shall be made a part of this Agreement and set out the terms and conditions agreed to between the Parties. Client accepts and shall be bound by the terms of this Agreement when it dates, signs and returns an acknowledgment copy of the Agreement. Scheduling of the Work will commence on receipt of a signed copy of the Agreement and a retainer in the amount of \$3,900.

We hope the above scope and fee are consistent with your requirements. We appreciate the opportunity to offer our services and would be pleased to answer any questions you might have.

Very truly yours,



Tom Miller
Senior Project Manager
RGA Landscape Architects a Design studio of MSA Consulting, Inc.

TM:br

Enclosures
Standard Contract Provisions
Hourly Fee Schedule

X:\Accounting\Desktop\MSA Proposals\Proposal COMMERCIAL Template 06.18.19.docx

Via Electronic Mail

Approved by: MSA Consulting, Inc.

Acknowledgment:

Signature

Contracting Entity

Typed Name

Signature/Title

Date

Typed or Printed Name

Date



CURRENT HOURLY BILLING RATES
April 1, 2019

CLASSIFICATION	HOURLY RATES
<u>Landscape Architecture Services</u>	
Director of Landscape Architecture.....	220.00
Principal Landscape Architect.....	195.00
Landscape Senior Project Manager.....	155.00
Landscape Architect II	155.00
Landscape Architect I	145.00
Landscape Associate III	145.00
Landscape Associate II	130.00
Landscape Associate I	110.00
Senior Administrative Assistant	85.00

The above rates include all labor, materials and incidental expenses such as vehicle mileage, postage, toll calls, and survey materials. Not included are reproduction costs, title company charges, special mailing charges, application, filing or permit fees or survey monuments.

MSA CONSULTING, INC.

STANDARD CONTRACT PROVISIONS

A. The CLIENT and CONSULTANT agree as follows:

1. Client binds himself, his partners, successors, executors, administrators, and assigns to the Consultant to this agreement in respect to all of the terms and conditions of this agreement.
2. Client agrees to compensate Consultant for its Services according to the schedule of payments attached hereto and incorporated herein. Consultant reserves the right to increase the fees set forth at reasonable intervals.
3. Client agrees to provide Consultant with any and all documents necessary to identify the ownership, location and condition of the Property, including, but not limited to, deeds, maps, title information, and permits; and to obtain for Consultant the authorization of the owner to enter upon the Property for the purpose of conducting Consultant's Services thereon.

B. **GENERAL PROVISIONS**

Client and Consultant agree that the following provisions shall be part of this Agreement:

Work Product

4. **Ownership.** Client acknowledges that all original papers, documents, maps, surveys, and other work product of Consultant, and copies thereof, produced by Consultant pursuant to this Agreement, except copies of documents which are required to be filed with public agencies, shall remain the property of Consultant. Consultant shall have the unrestricted right to use any such work product, for any purpose whatsoever, without the consent of Client. Client further acknowledges that its right to utilize the Services and work product performed pursuant to this Agreement will continue only so long as Client is not in default pursuant to the terms and conditions of this Agreement and Client has performed all obligations under this Agreement.

Following payment by Client to Consultant for services rendered and unless otherwise requested by Client, all reports, drawings, maps, specifications and instruments of Consultant's services shall remain in the possession of Consultant for a period of not less than three (3) years, after which time Consultant shall have the right to either deliver all drawings to Client or dispose of all such documents, drawings and related material.

5. **Use of Work Product.** Client agrees not to use or permit any other person to use final maps, exhibits, legal descriptions, surveys, or other work product prepared by Consultant, which Work Product is not final and which is not signed, and stamped or sealed by Consultant. Client agrees that Consultant is not responsible for any such use of non-final Work Product and waives any right to claim liability against Consultant therefore.

Client further agrees that final Work Product is for the sole use of Client for the specific purpose described in this Agreement. Such final Work Product may not be altered or reproduced in any way nor used on any other project or for any other purposes than as specifically authorized by Consultant in writing prior to any such use, alteration, or reproduction.

6. **Changes in Work Product.** In the event the Client agrees to permit or authorizes changes in the documents prepared by Consultant pursuant to this Agreement, to which changes Consultant has not previously consented to in writing, Client acknowledges that such changes and the effects thereof are not the responsibility of Consultant and Client agrees that Consultant is automatically released from any and all liability arising therefrom and further agrees to defend, indemnify and hold harmless Consultant, its officers, directors, principals, agents and employees from and against all claims, demands, damages or costs arising therefrom unless caused by the sole negligence or willful misconduct of Consultant.
7. **Quantities/Costs.** The Consultant makes no representation concerning the estimated quantities and cost figures made in connection with maps, plan, specifications, or drawings other than that all such figures are estimates only and the Consultant shall not be responsible for fluctuations in cost factors or variations from actual cost at the time of construction.
8. **Standard of Care.** The Consultant shall perform its services consistent with the professional skill and care ordinarily provided by consultants practicing in the same or similar locality under the same or similar circumstances. The Consultant shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.
9. **No Warranty.** Consultant makes no warranty, either express or implied, as to his findings,

MSA CONSULTING, INC.

STANDARD CONTRACT PROVISIONS

recommendations, specifications, or professional advice except that the work was performed pursuant to generally accepted standards of practice in effect at the time of performance.

10. **Soil Conditions.** Consultant makes no representations concerning soil conditions unless specifically included in writing in this agreement, and he is not responsible for any liability that may arise out of the making or failure to make soil surveys, or subsurface soil tests, or general soil testing.
11. **Copyright.** All Work Product identified in this Agreement as within the Scope of Services of Consultant, shall be deemed protected as if such Work Product was within the protections against third-party use and disclosure of the general copyright law of the United States as well as California, including common law and statutory law, whether or not such Work Product actually is so copyrighted and without regard to whether or not such copyright law actually applies to such Work Product.
12. **Staking Services.** Staking services will be provided at no less than a 4 hour minimum for each jobsite trip.

Contractor Responsibilities

13. **Job Site Conditions.** The Client agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including safety of all persons and property; that this requirement shall be made to apply continuously and not be limited to normal working hours; and the Client further agrees to defend, indemnify and hold the Consultant harmless from any and all liability, real or alleged, in connection with the performance of work on this project, excepting liability arising from the sole negligence of the Consultant.
14. **Utilities.** Plans prepared by the Consultant commonly show the location of existing underground utilities in an approximate way only. Client agrees that in accordance with generally accepted construction practices, the construction contractor shall determine the exact location of all existing utilities before commencing work and shall be fully responsible for any and all damages occasioned by this failure to locate and preserve said utilities.

15. **Potholing Coordination.** Potholing contractor shall be responsible for all damages, safety issues and/or repairs resulting from their work and Consultant shall be held harmless from any claims resulting from contractor's performance.
16. **Construction Observation.** Drawings prepared by Consultant shall be in accordance with currently accepted industry and agency standards. Consultant has no control over the Contractor's means or methods; and unless Consultant is engaged to perform full-time, on-site observation, Consultant cannot represent that the construction is completed in accordance with the approved drawings or appropriate specifications. Unless Consultant is performing full-time, on-site observation, Consultant's responsibility as the Civil Engineer of Record is limited to the design at the onset of construction. The Client agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including safety, and the Client further agrees to defend, indemnify and hold Consultant harmless from any and all liability, real or alleged, in connection with the performance of work on this project, excepting liability arising from the sole negligence of Consultant employees.
17. **Quality of Performance.** Consultant does not guarantee the completion or quality of performance of contract or the completion or quality of performance of contracts by the construction contractor or contractors, or other third parties, nor is the Consultant responsible for their acts or omissions.
18. **Changed Conditions.** In the event Client discovers or becomes aware of changed field or other conditions which necessitate clarification, adjustments, modifications or other changes, Client agrees to notify Consultant and engage Consultant to prepare the necessary clarifications, adjustments, modifications or other changes to Consultant's Services before further activity proceeds. Further, Client agrees that any construction contracts for any project which involves Consultant's Work Product shall include a provision that requires the contractor to notify Client of any changed field or other conditions after which Client shall timely notify Consultant.

MSA CONSULTING, INC.

STANDARD CONTRACT PROVISIONS

Accounting Practices

19. **Time of Billing.** All fees and other charges will be billed monthly and shall be due at the time of billing unless otherwise specified in agreement. A mechanics lien may be filed for any invoice remaining unpaid after ninety (90) days from date of invoice.
20. **Billing Agreement.** Client hereby agrees that the balance as stated on the billing from the Consultant to Client is correct, conclusive and binding on the Client unless Client within ten (10) days from the date of the making of the billing notifies Consultant in writing of the particular time that is alleged to be incorrect.
21. **Late Charges.** A late payment finance charge will be computed at the periodic rate of 1.0% per month, which is an annual percentage rate of 12% and will be applied to any unpaid balance commencing forty-five (45) days after the date of the original invoice.
22. **Payment/Submittal.** Unless otherwise specified in this Agreement, Consultant shall be entitled to payment of all outstanding invoices (85% of total design fee, if fixed price contract) prior to submittal of drawings to review agencies for plan checking. Consultant reserves the right to withhold release of plans until such payments are received.
23. **Payment/Project Termination.** In the event all or any portion of the work prepared or partially prepared by the Consultant be suspended, abandoned, or terminated, the Client shall pay the Consultant for all fees, charges, and services provided for the project, not to exceed any contract limit specified herein. If directed by Client to restart work on project at a later date, Consultant may be entitled to a restart fee to be negotiated prior to start of work.
24. **Payment Contingency.** This Agreement shall not be conditioned upon financing. Client represents that it has adequate funds for the payment of Consultant's fees, and the validity of this Agreement is not dependent upon Client obtaining financing, or on any other condition.
25. **Advance Fees.** Retainers or advance fees shall be credited against final invoice for clients in good standing. Consultant may apply advance fees against any unpaid invoices or client initiated contract overruns.

Additional Services/Compensation

26. **Change of Services.** Client acknowledges that the Services described in Scope of Services, attached, are based upon field and other conditions existing at the time of the execution of this Agreement. Client further acknowledges that clarifications, adjustments, modifications and other changes may be necessary to reflect changed field or other conditions. If Consultant determines that changed field or other conditions reasonably require or otherwise justify the provision of services in addition to those specified in this Agreement (such services to be referred to hereafter as "Additional Services"), Consultant shall by whatever means Consultant deems reasonable under the circumstances attempt to notify Client of the nature of such changed field or other conditions and the need for Additional Services. Regardless if Consultant successfully notifies Client of the changed field or other conditions and the need for Additional Services, Client authorizes Consultant to provide the Additional Services and agrees to pay for same at the hourly fee schedule* set forth attached hereto and incorporated herein by this reference. Any such Additional Services shall be performed subject to the terms and conditions of this Agreement as if specifically provided for herein.
27. **Verbal Requests.** For any work performed which is outside the original Scope of Work of this agreement, when verbally directed by Client's duly authorized representative or agent, the Consultant will be entitled to compensation on a time and materials basis*.
28. **Non-Basic Services.** Contract fees presented in this agreement shall be for scope of services specified. Assistance provided Client after plans are completed such as responding to contractor inquiries, assisting with bidding process, clarifying or interpreting design documents, coordinating with utility companies, providing cost estimates other than as described under Basic Services and providing construction support services other than normal construction staking services, shall be billed as Additional Services in accordance with prevailing hourly fee schedule*.
29. **Meetings/Data Transfers.** Unless specified as a Basic Service in the Scope of Work of this Agreement, meetings and computer data transfers shall be charged as Additional Services in accordance with prevailing hourly fee schedule*. Meetings shall include both client and project team meetings, as well as agency meetings. Data

MSA CONSULTING, INC.

STANDARD CONTRACT PROVISIONS

transfers shall include time spent importing and editing data from project design team members, creating and distributing data files to agencies, client and team members as required.

30. **Fees/Reproduction.** The Client shall pay the costs of checking and inspection fees, zoning and annexation application fees, assessment fees, soils engineering fees, soils testing fees, aerial topography fees, and all other fees, permits, bond premiums, title company charges, blueprints and reproductions, and all other charges not specifically covered by the terms of this agreement. Blueprints and reproductions shall be invoiced to Client at 1.20 times actual cost. Any such fees advanced by Consultant shall be invoiced to Client at 1.05 times actual cost.
31. **Payment for Work after Agency approval.** Any work performed beyond the point of agency approval of the plans, will be performed on an hourly basis*.
32. **Restaking.** In the event that any staking is destroyed, damaged or disturbed by an act of God or parties other than Consultant, the cost of restaking shall be paid for by Client as Additional Services*.
33. **Locating, Referencing or Resetting Monuments.** In the event Consultant is required to locate, reference, or reset any monument in order to comply with section 8771 of the Business and Professions Code, or any other statute, rule, ordinance, or directive, the cost shall be paid by Client as Extra Services*. In addition, Client shall pay all costs incurred in the preparation of documents related to locating, referencing or resetting monuments.
34. **Records of Survey.** Client acknowledges and agrees that if Consultant provides surveying services, which require the filing of a Record of Survey in accordance with Business and Professions Code Section 8762, all costs of preparation, examination and filing of such Record of Survey will be paid for by Client as Extra Services*.

* Additional/Extra Services, if required, shall be subject to the terms and conditions of the Agreement as if specifically provided for herein, and shall be performed on an hourly basis per the hourly rate schedule attached and in addition to any fixed fee agreed upon.

Contractual Disputes/Remedies

35. **Lien Rights.** The terms and provisions of this agreement shall not be construed to alter, waive, or affect any lien or stop notice rights, which the Consultant may have for the performance of services under this agreement.
36. **Statutes of Limitations.** Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than either the date of Substantial Completion for acts or failures to act occurring prior to Substantial Completion or the date of issuance of the final Certificate for Payment for acts or failures to act occurring after Substantial Completion. In no event shall such statutes of limitations commence to run any later than the date when the Consultant's services are substantially completed.
37. **Defense Costs.** In the event that Client institutes a suit against Consultant because of any failure or alleged failure to perform, error, omission, or negligence, and if such suit is not successfully prosecuted or if it is dismissed, or if verdict is rendered for Consultant, Client agrees to pay Consultant any and all costs of defense, including attorney's fees, expert witnesses fees, and court costs and any and all other expenses of defense which may be needful, immediately following dismissal of the case or immediately upon judgment being rendered in behalf of Consultant.
38. **Litigation Costs.** Should litigation be necessary to enforce any term or provision of this agreement, or to collect any portion of the amount payable under this agreement, then all litigation and collection expenses, witness fees and court costs, and attorney's fees shall be paid to the prevailing party.
39. **Government Delays.** The Consultant is not responsible for delay, nor shall Consultant be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, or acts of God; or the failure of Client to furnish timely information or to approve or disapprove Consultant's work promptly; or delay or faulty performance by Client, other contractors, or governmental agencies; or any other delays beyond Consultant's reasonable control.

MSA CONSULTING, INC.

STANDARD CONTRACT PROVISIONS

40. **Consultant's Obligations regarding Project Approvals.** It is agreed Consultant's obligations to Client are to complete services in a timely manner within their control. While Consultant and Client are in mutual agreement to cooperate, and participate in obtaining necessary project approvals, it is agreed that Consultant cannot be liable for local or State government guidelines, regulations and approvals or responsible for the performance of the Client or other consultants, team members or agencies that may affect the outcome or completion date of the project.

41. **Government Changes.** Consultant shall not be liable for damages resulting from the actions or inactions of governmental agencies including but not limited to permit processing, environmental impact reports, dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, and building permits; and Consultant shall only act as an advisor in all governmental relations.

42. **Consultant's Liability.** It is agreed that Consultant's liability to Client and all other parties for claims arising from Consultant's performance or alleged failure to perform the services described in this Agreement shall be limited. The total aggregate liability of Consultant to Client and others shall be limited to the proceeds available from the Consultant's professional liability insurance policy in effect.

Indemnification/Hold Harmless

43. **ALTA Surveys.** Client agrees that in performing requested ALTA surveys in accordance with this Agreement, Consultant may be required to sign a statement or certificate on the survey documents that differs from Consultant's standard format. Client hereby agrees to indemnify and hold Consultant harmless from any and all liability arising from or resulting from the signing of any such different statement.

44. **Job-Site Conditions.** Client agrees to be solely and completely responsible for job-site conditions during the course of Consultant's performance, including safety of all persons and property; that this requirement shall apply continuously and not be limited to normal working hours; and Client further agrees to defend, indemnify and hold Consultant harmless from any and all liability, real or alleged in connection therewith, except liability arising from the sole negligence or willful misconduct of Consultant.

45. **Hazardous Materials Waiver.** Unless otherwise provided in the Agreement, the Consultant and any subconsultants shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB) or other toxic substances.

46. **Civil Engineer of Record.** The civil engineering firm providing construction surveying and/or field observations during construction shall assume the responsibility of Civil Engineer of Record.

Suspension/Termination of Agreement

47. **Stop Work.** If the Client fails to make payments to the Consultant in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Consultant's option, cause for suspension of performance of services under this Agreement. If the Consultant elects to suspend services, prior to suspension of services, the Consultant shall give ten days' written "Stop Work" notice to the Client. In the event of a suspension of services, the Consultant shall have no liability to the Owner for delay or damage caused the Client because of such suspension of services. Before resuming services, the Consultant shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Consultant's services. The Consultant's fees for the remaining services and the time schedules shall be equitably adjusted.

48. **Breach of Contract.** In the event Client fails to pay Consultant within sixty (60) days after invoices are rendered, Client agrees that Consultant shall have the right to consider said default a total breach of this agreement and, upon written notice, the duties, obligations and responsibilities of the Consultant under this agreement are terminated. In such event, Client shall then promptly pay the Consultant for all the fees, charges, and services provided by Consultant.

49. **Termination – Consultant.** The Consultant shall have the right to terminate this agreement without cause, upon ten (10) working days advance written notice to the Client.

MSA CONSULTING, INC.

STANDARD CONTRACT PROVISIONS

50. **Termination – Client.** The Client shall have the right to terminate this agreement without cause, upon ten (10) working days advance written notice to the Consultant.

51. **Termination Payment Provisions.** In the event this agreement is terminated by any party for any reason, the Consultant shall be paid by the Client for all services provided on the time and material basis of work completed and not previously paid for, on the date notice of termination is given. Should dispute arise between the parties as to the work completed by the Consultant the Client shall have the right to audit the cost records and time records of the Consultant to the extent that they relate to the services provided hereunder.

Acceptance and Commencement

52. **Assignment.** Neither the Client nor Consultant shall assign his interest in this agreement without the written consent of the other.

53. **Validity.** In the event any provision of this agreement shall be held to be invalid and unenforceable, the other provisions of this agreement shall be valid and binding on the parties hereto.

54. **Personal Guarantee.** It is the practice of this office, when providing services to closely held corporations, partnerships or limited liability companies, to require the major shareholders, partners or members to assume responsibility for payment of our fees in the event the entity does not have sufficient resources. Your signature on this agreement constitutes your guarantee to be personally liable for all indebtedness incurred in relation to this agreement. Guarantor recognizes, understands, and agrees that this guarantee may not be revoked or rescinded if balance remains owed and outstanding and Guarantor hereby waives his or her subrogation and/or recovery rights.

55. **Communications Risk.** Consultant intends to use state of the art communications devices to the fullest extent possible, i.e., e-mail, document transfer by computer, cellular telephones, and facsimile transfers. The use of such devices under current technology may place your confidences and privileges at risk. The effectiveness involved in use of these devices outweighs the risk of accidental disclosure. Your signature on this agreement constitutes your consent to the use of these devices.

56. **Authority to Enter Agreement.** Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

Elena Adina Peterson
71-755 San Gorgonio Road
Rancho Mirage, California 92270
Cell: (760) 567-1844
e-mail:adinapeterson@yahoo.com
www.desertmodernlandscape.com

**LANDSCAPE ARCHITECTURAL
SERVICES AUTHORIZATION FORM**
June 19th, 2019

Project Name: Las Palmas Medical Plaza
555 E. Tachevah Drive
Palm Springs, CA 92262
Building Perimeter, Streetscape,
West Walkway and South Alley

Client: Desert Healthcare District

Our firm has been requesting to perform design services in regards of The Las Palmas Medical Plaza on 555 E. Tachevah Drive in Palm Springs.
These services are:

Scope of Services: Section "A"
Fee: Section "B"
Requesting By: Dave Johnston

Approved By:

Date:

Authorized Signature

Section "A"
SCOPE OF SERVICES
06-19-19

Las Palmas Medical Plaza, Palm Springs, CA
Building Perimeter, Streetscape, West Walkway and South Alley

Design Development

Discuss Project Character with Client

Discuss Client Goals, Objectives and Uses

Review Existing Site Conditions, Site Analysis and Existing Plant Inventory List

Concept Streetscape Plan along Tachevah Dr.

Concept Streetscape Plan along N. Via Miraleste

Concept Landscape Plan along West Walkway and South Alley

Plant Palette Including Plant Options for Streetscape, West Walkway and South Alley

Review with Client

Construction Documents:

Streetscape Planting Plan along Tachevah Dr. including plant legend, size and quantities

Streetscape Planting Plan along N. Via Miraleste including plant legend, size and quantities

Landscape Plan along West Walkway and South Alley including plant legend, size and quantities

Streetscape, Walkway and South Alley Irrigation Plan including Irrigation modification to existing, water calculations as required to comply with the DWA Model Water Efficient Landscape Ordinance including processing and approval

Streetscape, Walkway and South Alley Planting and Irrigation Details including Specifications per DWA requirements

Streetscape, Walkway and South Alley Submittals to the City of Palm Springs and DWA, including approvals

Streetscape, Walkway and South Alley LED Landscape Lighting Plan including Legend and Installation Specifications

Streetscape, Walkway & South Alley Bid Review, Landscape Observation Services and As-Built

Elena Adina Peterson

71-755 San Geronio Road, Rancho Mirage, California 92270

Cell : (760) 567-1844

e-mail:adinapeterson@yahoo.com

www.desertmodernlandscape.com

Section "B"
PROJECT FEE SCHEDULE

Design Development:

Concept Streetscape Plan along Tachevah Dr.	\$ 1800.00
Concept Streetscape Plan along N. Via Miraleste	\$ 1000.00
Concept Landscape Plan along West Walkway and South Alley	\$ 1500.00

Total Design Development: **\$ 4300.00**

Construction Documents and Approvals:

Streetscape Planting Plan along Tachevah Dr.	\$ 1750.00
Streetscape Planting Plan along N. Via Miraleste	\$ 1250.00
Streetscape Planting Plan along West Walkway and South Alley	\$ 1600.00
Streetscape, West Walkway and South Alley Irrigation Plan	\$ 7000.00
City and DWA Submittals including Approvals	\$ 1750.00
Bid Review and Landscape Observation Services Max 10 Hours	\$ 750.00
Streetscape, West Walkway and South Alley As-Built	\$ 1500.00

Total Design Development: **\$ 15600.00**

Total Fee: **\$19900.00**

Deposit: \$ 3165.00

The following are excluded from scope of services to be provided under the contract:
All engineering plans included but not limited to civil, grading, geotechnical, drainage, electrical, hydraulic and structural
will be provided as required by the client.

If this proposal meets your acceptance, Desert Modern Landscape Design requires a deposit of 30% upon start of work.

Elena Adina Peterson
71-755 San Gorgonio Road, Rancho Mirage, California 92270
Cell : (760) 567-1844
e-mail:adinapeterson@yahoo.com
www.desertmodernlandscape.com

Design Development

Discuss Project Character with Client

Discuss Client Goals, Objectives and Uses

Review Existing Site Conditions, Site Analysis and Existing Plant Inventory List for Parking Lot

Concept Landscape Plan for Parking Lot

Master Plant Palette Including Plant Options for the Parking Lot
Review with Client

Construction Documents:

Parking Lot Planting Plan including plant legend, size and quantities

Parking Lot Irrigation Plan including Irrigation modification to existing, water calculations as required to comply with the DWA Model Water Efficient Landscape Ordinance including processing and approval

Parking Lot Planting and Irrigation Details including Specifications per DWA requirements

Parking Lot Submittals to the City of Palm Springs and DWA, including approvals

Parking Lot Bid Review and Landscape Observation Services

Parking Lot As-Built

Elena Adina Peterson
71-755 San Geronio Road, Rancho Mirage, California 92270
Cell : (760) 567-1844
e-mail: adinapeterson@yahoo.com
www.desertmodernlandscape.com

Section "B"
PROJECT FEE SCHEDULE

Design Development:

Concept Landscape Plan for Parking Lot	\$ 1300.00
<u>Total Design Development:</u>	\$ 1300.00

Construction Documents and Approvals:

Parking Lot Planting Plan	\$ 1650.00
Parking Lot Irrigation Plan	\$ 1100.00
Parking Lot City and DWA Submittals including Approvals	\$ 550.00
Bid Review and Landscape Observation Services Max 4 Hours	\$ 300.00
Parking Lot As-Built	\$ 800.00

<u>Total Design Development:</u>	\$ 4400.00
---	-------------------

Total Fee:	\$5700.00
	Deposit: \$ 1710.00

If this proposal meets your acceptance, Desert Modern Landscape Design requires a deposit of 30% upon start of work.

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**LANDSCAPE ARCHITECTURAL
SERVICES AUTHORIZATION FORM**
June 19th, 2019

Project Name: **Las Palmas Medical Plaza**
 555 E. Tachevah Drive
 Palm Springs, CA 92262
 Interior Courtyards

Client: **Desert Healthcare District**

Our firm has been requesting to perform design services in regards of The Las Palmas Medical Plaza on 555 E. Tachevah Drive in Palm Springs.
These services are:

Scope of Services: **Section "A"**
Fee: **Section "B"**
Requesting By: **Dave Johnston**

Approved By:

Date:

Authorized Signature

Section "A"
SCOPE OF SERVICES
06-19-19

Las Palmas Medical Plaza, Palm Springs, CA
Interior Courtyards

Design Development

Discuss Project Character with Client

Discuss Client Goals, Objectives and Uses

Review Existing Site Conditions, Site Analysis and Existing Plant Inventory List for Interior Courtyards

Concept Landscape Plan for Interior Courtyards

Plant Palette Including Plant Options for the Interior Courtyards
Review with Client

Construction Documents:

Interior Courtyards Planting Plan including plant legend, size and quantities

Interior Courtyards LED Landscape Lighting Plan

Interior Courtyards Irrigation Plan including Irrigation modification to existing, water calculations as required to comply with the DWA Model Water Efficient Landscape Ordinance including processing and approval

Interior Courtyards Planting and Irrigation Details including Specifications per DWA requirements

Interior Courtyards Submittals to the City of Palm Springs and DWA, including approvals

Interior Courtyards As-Built

Interior Courtyards Bid Review and Landscape Observation Services

Interior Courtyard LED Landscape Lighting Plan including Legend and Installation Specifications

Elena Adina Peterson
71-755 San Geronio Road, Rancho Mirage, California 92270
Cell : (760) 567-1844
e-mail:adinapeterson@yahoo.com
www.desertmodernlandscape.com

Section "B"
PROJECT FEE SCHEDULE

Design Development:

Concept Landscape Plan for Interior Courtyards	\$ 800.00
<u>Total Design Development:</u>	\$ 800.00

Construction Documents and Approvals:

Interior Courtyards Planting Plan	\$ 1600.00
Interior Courtyards LED Landscape Lighting Plan	\$ 500.00
Interior Courtyards Irrigation Plan	\$1500.00
Interior Courtyards City and DWA Submittals including Approvals	\$ 500.00
Bid Review and Landscape Observation Services Max 6 Hours	\$ 450.00
Interior Courtyards As-Built	\$ 700.00
<u>Total Design Development:</u>	\$ 5250.00

Total Fee: **\$6050.00**

Deposit: \$ 1815.00

If this proposal meets your acceptance, Desert Modern Landscape Design requires a deposit of 30% upon start of work.

Elena Adina Peterson
71-755 San Geronio Road, Rancho Mirage, California 92270
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e-mail:adinapeterson@yahoo.com
www.desertmodernlandscape.com



Date: July 23, 2019
To: Board of Directors
Subject: Lease Agreement – Brad A. Wolfson, M.D. 2W 101

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

Background:

- Brad A. Wolfson, M.D. has been a long-standing tenant of the Las Palmas Medical Plaza
- Dr. Wolfson's current lease expires July 31, 2019
- Dr. Wolfson is requesting a lease renewal of three years, with a base rent of \$2.00/square foot and a Tenant Improvement Allowance of \$8/square foot
- At the July 9, 2019 F&A Committee Meeting, the Committee recommended forwarding Dr. Wolfson's draft lease agreement to the Board for approval
- Staff recommends approval of the draft lease agreement
- Draft lease agreement is attached for review

Fiscal Impact:

Estimated revenue from Rent and CAMs for life of the lease - \$123,522

Estimated cost of Tenant Improvement Allowance (\$8.00/sf) - \$10,240

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OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as "Landlord", and Brad A. Wolfson, M.D., referred to as "Tenant", and is dated August 1, 2019.

I. LEASE OF PREMISES.

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

2. DEFINITIONS.

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

- a. *Base Rent (Initial)*: \$ Thirty-Thousand Seven-Hundred Twenty & 00/100 (30,720.00) per year.
- b. *Base Year*: The calendar year of August 1 to July 31.
- c. *Broker(s)*:
Landlord's: N/A
Tenant's: N/A

In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: August 1, 2019.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: July 31, 2022, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Cayon Dr. Palm Springs, CA 92262
Tenant's Mailing Address: 555 E. Tachevah Dr. 2W-101 Palm Springs, CA 92262
- h. *Monthly Installments of Base Rent (initial)*: \$ Two-Thousand, Five-Hundred Sixty and 00/100 Dollars (\$2,560.00) per month.
- i. *Project Operating Costs (CAMS)*: Currently Sixty-two Cents (\$.62) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Eight and 00/100 Dollars (\$8.00) per square foot or Ten-Thousand Two-Hundred Forty & 00/100 Dollars (\$10,240.00).
- k. *Parking*: Tenant shall be permitted, to park 6 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 1280 square feet of Rentable Area, located in Building 2W and known as Suite 101.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

- o. *Security Deposit (Section 7)*: \$ Tenant will carry over from previous lease in the amount of Zero & 00/100 Dollars (\$00.00).
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 2.59 %. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: General office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

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

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

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

4. DELIVERY OF POSSESSION.

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

5. RENT.

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

5.2 *Adjusted Base Rent*:

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

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,

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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 Operating Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably Approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

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

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

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

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

(c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

(d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.

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

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

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

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

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

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

7. SECURITY DEPOSIT.

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

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

8. TENANT'S USE OF THE PREMISES

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

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (I) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as

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

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

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

10. CONDITION OF THE PREMISES.

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

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.

- 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

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Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. RULES AND REGULATIONS.

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

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

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

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

16. ASSIGNMENT AND SUBLETTING.

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

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant's notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
 - (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
 - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
 - (3.) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
 - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and

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(5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
- d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
- e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

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

18. SURRENDER OF PREMISES.

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

19. DESTRUCTION OR DAMAGE.

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

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

20. EMINENT DOMAIN.

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

21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

22. TENANT'S INSURANCE.

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

23. WAIVER OF SUBROGATION.

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

24. SUBORDINATION AND ATTORNMENT.

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

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

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25. TENANT ESTOPPEL CERTIFICATE.

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

26. TRANSFER OF LANDLORD'S INTEREST.

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

27. DEFAULT.

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

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

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

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

_____ District _____ Recipient

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

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

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

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

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

- 27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

28. BROKERAGE FEES.

_____ District _____ Recipient

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

29. NOTICES.

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

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

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

31. RELOCATION OF PREMISES.

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

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

32. QUIET ENJOYMENT.

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

33. OBSERVANCE OF LAW.

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

34. FORCE MAJEURE.

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

35. CURING TENANT’S DEFAULTS.

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

36. SIGN CONTROL.

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

37. MISCELLANEOUS.

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

and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

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

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

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

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

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

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

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	_____
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Chris Christensen</u>	By:	_____

_____ District _____ Recipient

Signature: _____
Title: Interim CEO

Signature: _____
Title: _____

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

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

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EXHIBIT "A"

RULES AND REGULATIONS

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

All approved signs or lettering on doors shall be printed, painted, affixed, or inscribed at the expense of Tenant by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard 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

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ADDENDUM

Addendum to that certain Office Building Lease dated August 1, 2019 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Brad A. Wolfson, M.D., as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

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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: August 1, 2019
2. Expiration Date: July 31, 2022
3. Rent Schedule:

8/1/2019-7/31/2020	\$2560.00	
8/1/2020-7/31/2021	\$2636.80	Greater of 3% or CPI
8/1/2021-7/31/2022	\$2715.90	Greater of 3% or CPI
4. CAMs: Currently \$.62 per square foot.
5. Security Deposit: Tenant will carry over from previous lease in the amount of Zero & 00/100 Dollars (\$00.00).

The foregoing is hereby agreed to and accepted:

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	_____
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Chris Christensen</u>	By:	_____
Signature:	_____	Signature:	_____
Title:	<u>Interim CEO</u>	Title:	_____

**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE
MEETING MINUTES
July 9, 2019**

Directors Present	District Staff Present	Absent
Chair, Carole Rogers, RN Director Evett PerezGil Nicolas Behrman, Community Member Luciano Crespo, Community Member Allen Howe, Community Member Thomas Smith, Community Member	Chris Christensen, Interim CEO, CFO Donna Craig, Senior Program Officer Andrea S. Hayles, Clerk of the Board	Vice-President Leticia De Lara Thomas Thetford, Community Member Alejandro Espinoza, Program Officer and Outreach Director

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	The meeting was called to order at 12:01 p.m. by Chair Rogers.	
II. Approval of Agenda	Chair Rogers asked for a motion to approve the agenda.	Moved and seconded by Director PerezGil and Director Rogers to approve the agenda. Motion passed unanimously.
III. Meeting Minutes 1. June 11, 2019	Chair Rogers asked for a motion to approve the minutes.	Moved and seconded by Director PerezGil and Director Rogers to approve the meeting minutes. Motion passed unanimously.
IV. Public Comment	None	
V. Old Business 1. Grant Proposals Under Development	Chair Rogers explained that the grant proposals under development are included in the packet and inquired about any questions.	
VI. New Business 1. Interview to consider a Volunteer Community Member is included on an alternate list	Chair Rogers introduced Christine Anderson, EdD. Dr. Anderson provided an overview of her background in speech pathology, work with the Orange	Moved and seconded by Community Member Allen Howe and Community Member Nicolas Behrman to approve Christine J. Anderson, EdD on

**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE
MEETING MINUTES
July 9, 2019**

	<p>County Department of Education, principal at a school for children with disabilities, grant writing, assistant superintendent of instruction at Palm Springs Unified School District, superintendent of Palm Springs Unified School District, and her work with the Clinton Foundation Healthy Initiative.</p>	<p>an alternate list to serve as a Volunteer Community Member. Motion passed unanimously.</p>
<p>2. Orientation – Volunteer Community Members</p> <p>a. Appointment & Duties for Committees – Policy BOD-3</p> <p>b. Grant & Mini-Grant – Policy OP-5</p> <p>c. Current Grant Process</p> <p>d. Grant Application Scoring Rubric</p> <p>e. Conflict of Interest – Policy BOD-15</p> <p>f. 2018/2019 Statement of Economic Interests – Form 700</p> <p>g. 2017-2020 Strategic Plan</p> <p>h. Local Agency Formation Commission (LAFCO) – Plan of Services</p>	<p>Chris Christensen, Interim CEO, described the Program Committee’s reinstating the Volunteer Community Members and their role on the committee.</p> <p>Mr. Christensen highlighted Appointment & Duties for Committees that includes one (1) three-year term of the community members, vacancies, meetings and voting, conflicts of interest, and the purpose of the committee.</p> <p>An overview of the Grant and Mini-Grant Policy, Current Grant Process, Grant Application Scoring Rubric, Conflict of Interest, and the Fair Political Practices Commission (FPPC) Statement of Economic Interests. The Local Agency Formation Commission (LAFCO) application was briefly discussed and described to the community members.</p> <p>Community Member Nicolas Behrman requested a pie chart or similar that coincides with the</p>	

**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE
MEETING MINUTES
July 9, 2019**

	<p>Strategic Plan, such as the number of grant dollars funded in each community health focus area.</p> <p>Community Member Allen Howe recommended providing a copy of the Brown Act to the community members that are not familiar with government processes.</p>	
VII. Committee Member Comments	<p>Donna Craig, Senior Program Officer, explained EVALCORP's work on the Behavioral Health Initiative needs assessment and combining the findings with Supervisor Perez's Behavioral Health Green Ribbon Committee.</p> <p>Chair Rogers described the Summer Homelessness Survival Fund and obtaining a report from Greg Rodriguez, Government Relations and Public Policy Advisor, Supervisor Perez, also highlighting the District's summer intern, Kayla Bentley's collaboration with Mr. Rodriguez.</p>	
V. Adjournment	<p>Chair Rogers adjourned the meeting at 1:30 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>

ATTEST: _____
Carole Rogers, RN, Chair/Director
Program Committee



**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE
MEETING MINUTES
July 9, 2019**

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

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PROPOSALS UNDER DEVELOPMENT

Information only – status update of new and existing grants since last board report 6/25/19

Letters of Inquiry			
Agency	Staff Notes	Status	Funding Allocation
Flying Doctors MINI GRANT	LOI – Stage 1 received requesting \$25,000 for the expenses related to the September 28, 2019 clinic	Waiting for audited financials to be submitted before generating the application, Stage 2 UPDATE: Flying Doctors do not have audited financials and have changed their request to a \$5,000 mini grant. Stage 2 Mini Grant application generated	Foundation
Desert Ability Center MINI GRANT	LOI – Stage 1 received requesting \$5,000 towards the acquisition of adaptive equipment including, but not limited to, trainers upon which handcycles are placed, handcycles, wheelchair accessible rowing machines and strength trainers. Residents with spinal cord injuries, other neurological disorders and amputations will have the ability to train at Kirkfit. Initial training offerings will include indoor cycling, rowing and strength training.	Waiting for project budget to be submitted before generating Stage 2, the application.	District

Alzheimer's Coachella Valley MINI GRANT (revised request)	LOI received requesting \$5,000 mini grant for Certified Dementia/Alzheimer's Caregiver Training.	Stage 2 mini grant application generated –	District
California Partnership MINI GRANT	LOI Stage 1 received requesting \$5,000 to support CAP's efforts in collaborative outreach, education and enrollment campaign activities for the young adult population in full-scope Medi-Cal, between the ages of 19-25, and wrap-around medically indigent services programs in the CV	Stage 2 mini grant application generated	Foundation
Desert AIDS Project	<u>Emailed</u> LOI requesting \$459,006 for Get Tested Coachella Valley 2.0.	Site visit and meeting at DAP was completed April 2, 2019. The funding request was concentrating the new version 2.0 of Get Tested Coachella Valley (GTCV) specific to the residents of the East Valley. Other items included in the funding request were advertising dollars; support for the mobile testing van and Smart cars; salaries; event sponsorship; and support for the DOCK (the STD clinic) to offset lost revenue. DAP will provide its strategic plan (received) & Vision 2030 for review and compatibility with DHCD's strategic plan.	
Hidden Harvest	LOI received requesting \$50,000 for low-income senior markets.	Grant request on hold (per grantee's decision) until more current audited financials are completed.	District – could increase grant request to cover senior markets in East Valley through Foundation

Coachella Valley Rescue Mission	LOI received requesting \$270,000 for services for hospital-discharged homeless patients.	SITE visit and application meeting with Program Director & CEO on JULY 11th; awaiting data report from Desert Care Network re discrepancies in reported numbers of hospital-discharged patients.	District/Foundation
Jewish Family Service of the Desert	LOI received requesting \$90,000 to support case management services due to a 45% increase in seniors and other low-income individuals requesting financial emergency assistance.	Stage 2 – full application – has been generated	District
Palm Springs Cultural Center	LOI received requesting \$50,000 to conduct a Mobile Farmers Market feasibility study.	PS Cultural Center in the process of having their current audited financials accepted and approved by their board.	Foundation
Neurovitality Center	LOI received requesting \$281,639 to cover a year of staffing (both New and Existing) start-up costs in the development of a Community Based Adult Services (CBAS) program and an Adult Day Health Care (ADHC) program. This is a collaborative effort with Regional Access Project Foundation, who is being requested to fund the gap in start-up costs.	This request is not what had been originally proposed/requested - \$180,570 for NEW staffing positions only. These new positions are mandated by the State and County to be in place before licensure and certification can be conducted. DHCD staff and NVC are in conversations regarding the change in the request.	District

Applications			
Grantee	Staff Notes	Status	
Lift To Rise	6/21/19 phone conversation with Heather – revising grant request to reflect the Health CAN & Healthy Eating/Active Living health outcomes	Stage 2 Application was generated after 6/11 Program Committee meeting. Waiting for revised submission which will be placed on September PC meeting agenda (of which LTR has been notified via email)	District
Progress Reports			
Applicant	Staff Notes	Status	
Joslyn Senior Center #980: <i>Joslyn Wellness Center Senior Behavioral Health Services Program</i>	<p>Grant term 11/1/18 – 10/31/19</p> <p>Original Approved Amount: \$112,500</p> <p>1st progress report covering the time period from 11/1/18 – 4/30/19</p> <p>For the most part, the program is on track and meeting or exceeding enrollment and completion goals. The Aging Mastery Program is one exception with respect to meeting enrollment goals, although it is meeting the expected completion goal number. In addition, individual clients served through the Problem-Solving Therapy program are somewhat below expectations at the half-way</p>	<p>The following shows client participation in the various classes and programs offered through The Joslyn Wellness Center: The following format is being utilized in this reporting: enrollment /completion.</p> <p>Aging Mastery: 100/60 (60% completion Goal) – Reporting Period: 35/30 (86% completion rate)</p> <p>Brain Boot Camp: 120/80 (67% completion goal) – Reporting Period: 71/63 (89% completion rate)</p> <p>Problem Solving Therapy: 70 participation Goal – Reporting Period: 24</p>	

	<p>point. One difficulty is the stigma that still exists around “therapy” for the population age that is our focus. For this reason, although utilizing Problem Solving Therapy techniques, we market the program as Problem Solving Strategies.</p> <p>Another “on-track” issue that has arisen is the recruitment of the second Associate/Intern. There were two reasons for this. The first was the initial slow growth of the client base and the second issue is our determination that we would like to recruit a Spanish speaking therapist in order to offer the Problem-Solving Strategies counseling to Spanish speaking individuals.</p>	<p>Go4Life: Goal 100 Clients Participate – Reporting Period (67 unduplicated)</p> <p>Total Unduplicated: 175/131</p>	
<p>Desert Cancer Foundation #960: <i>Patient Assistance & SJBCF (Suzanne Jackson Breast Cancer Fund)</i></p>	<p>Grant term: 3/1/18 – 8/31/19 Original Approved Amount: \$200,000</p> <p>The SJBCF program is considered to be "on track" as its programmatic structure has ensured we serve patients in need as a safety net. However, the goals established in the</p>	<p>Suzanne Jackson Breast Cancer Fund: Due to the implementation of the Affordable Care Act, and the requirement of essential benefits, of which includes breast cancer screening services without cost, we have witnessed a drastic reduction in the need for our services to pay for breast cancer screening and diagnostic services over the past year by District residents.</p>	

	<p>grant proposal will not have been met specifically for expenditures of the dollars for screening and diagnostic services. Instead, we have been successful in leveraging existing programs and services in order to meet the breast health needs of District and remaining valley residents. This program serves as a safety net for patients with no insurance or are under-insured, and do not qualify for existing programs and services. We are significantly under budget for breast cancer screening and diagnostic services funded by Desert Healthcare District; however, the need for financial assistance for cancer treatment continues to increase.</p>	<p>Our Patient Assistance Program</p> <p>continues to grow, with more need from local residents battling a cancer they cannot afford. During the reporting period of 9/1/2018 to 2/28/2019, DCF has served a total of 738 services among a total of 73 unduplicated residents within the funded District area.</p>	
<p>SafeHouse of the Desert #927: “What’s Up” <i>SafeHouse a 24-hour Crisis Text App</i></p>	<p>Grant term: 1/1/17-12/31/19 Original Approved Amount: \$679,357 What's Up SafeHouse Crisis Line and App continue to stay on track to meet the goals set forth. We are actually on track to exceed the projected numbers.</p>	<p>From January 1, 2019 through June 27, 2019 13,196 youth were directly outreached to. In addition to this, 568 school administrators, counselors, teachers, and school resource officers were directly outreached to.</p> <p>During the same reporting period, SafeHouse of the Desert's What's Up SafeHouse Crisis Line and App provided</p>	

		services to 675 unique texters, with a total of 9,546 texters exchanged with those unique texters.	
Final Grant Reports			
Applicant	Staff Notes	5 things to be done differently	
<i>No final reports at this time</i>			

Ad Hoc Committee on Board and Staff Communications and Policies Meeting Summary – July 17, 2019

Attendees

Chair, Vice-President Leticia De Lara
Director Evett PerezGil
Chris Christensen, CEO
Vice-President Les Zendle, MD
Andrea S. Hayles, Clerk of the Board

Absences

Call to Order

The meeting was called to order by Chair De Lara at 1:06 p.m.

Approval of the Agenda

Chair De Lara asked for a motion to approve the agenda.

Moved President Zendle and seconded by Director PerezGil to approve the agenda.

Old Business – Existing Policy Revisions

1. Filling Board Vacancy BOD-06 – APPROVED

The committee reviewed policy BOD-06 that included no revisions.

2. Board Meeting Agenda BOD-07 - TABLED

The committee tabled policy BOD-07 to further revise language of the policy.

3. Board Meetings BOD-08 – APPROVED

The committee reviewed policy BOD-08 and accepted recommended revisions.

4. Rules of Order for Board and Committee Meetings BOD-9

The committee reviewed policy BOD-09 and accepted recommended revisions.

5. Board Meeting Conduct BOD-10 – APPROVED

The committee reviewed policy BOD-10 and accepted with recommended revisions.

Chair De Lara suggested parenthesis stating “notwithstanding translation services” regarding the three (3) and five (5) public comment rules.

President Zendle recommended a Study Session in the future for the entire board to review the policies, such as the Rules of Order for Board and Committee Meetings.

Staff was also directed to obtain a sample Code of Conduct from similar District's for future committee meeting sessions with Rauch Communication.

6. Minutes of Board Meetings BOD-12 - APPROVED

The committee reviewed policy BOD-12 and accepted recommended revisions.

7. Memberships in Organizations, Training, Education, Conferences, and Reimbursement procedures BOD-13 – APPROVED

The committee reviewed policy BOD-13 and accepted with recommended revisions.

The committee recommended item two (2) to contain the purpose of the meeting and the individual's entertained at the meeting when submitting itemized receipts. Directors should provide fair, but not vague language for 2.3 to state Directors will typically use their *District* home or *other reasonable starting points*, and a modification to 2.4 for Uber or Lyft to a ridesharing service.

President Zendle explained that the committee should reference the ticket policy for mileage reimbursement District purchased tickets.

8. Ethics Training and Education Training relating to Workplace Harassment BOD-14

The committee reviewed policy BOD-14 and accepted with recommended revisions.

The committee recommended adding that the training is encouraged annually, but required every two years. An amendment to item 3 should include the Board Policy Manual in addition to the District Employee Handbook.

Motioned by Chair De Lara, moved by Director PerezGil and seconded by President Zendle to forward the policies with the above-referenced revisions to the board for consent agenda approval.

New Business – New Policies

1. Compensation Policy OP-12

The committee reviewed Compensation OP-12 with the revision to item 1. – “excluding the *Chief Executive Officer*”.

2. Financial Reserve Policy FIN-06

The committee reviewed FIN-06 and accepted as presented.

Motion by Chair De Lara, moved by President Zendle and seconded by Director PerezGil to direct staff to make the appropriate revision as reflected.

Future Topics and Issues

- Establish a Code of Conduct
- Follow-up with Martin Rauch, Rauch Communications and establish a yearly communications workshop
- Resources for an open house or meeting with community members that includes recommendations or guidelines for board members on awareness, such as what the board can discuss when meeting with the public.

The meeting adjourned at 2:29 p.m.

Ad Hoc Committee – Tenet Lease Meeting Summary – July 18, 2019

Attendees

Chair, Treasurer Mark Matthews
Director Karen Borja
Director Arthur Shorr - *Telephonic*
Chris Christensen, CEO
Jeff Scott, Legal Counsel
Jody Hill-Mischel, Kaufman Hall
Steve Hollis, Kaufman Hall

Absences

Call to Order

Chair Mark Matthews called the meeting to order.

Approval of the Agenda

The motion was duly made seconded and unanimously carried to adopt the agenda.

New Business

1. Tenet Healthcare – Desert Regional Medical Center Acquisition Proposal

Counsel Jeff Scott explained that the Tenet Lease ad hoc committee has been appointed by President Zendle and tasked to review and provide input to the full board regarding the July 2019 proposal to the District. The ad hoc committee reviewed the Tenet proposal.

After discussion, the ad hoc committee recommended forwarding the Tenet proposal to the full board for information and discussion at the July 23 board meeting. The committee recommended that the full board request that Tenet resubmit the proposal with 1) more substantial financial consideration for the purchase price, 2) more specifics on the proposed future configuration of Desert Regional Medical Center, and 3) more specifics on the future investments in healthcare services and capital projects in the Coachella Valley.

2. Kaufman Hall Engagement Letter

The committee reviewed the Kaufman Hall Engagement Letter. After discussion, the committee recommended referring the engagement letter to the full board with a recommendation of approval.

3. Political Consultants Service Agreements

- a. Tramutola LLC – Political Strategies
- b. Clifford Moss LLC – Political Strategy, Communications and Public Affairs

After discussion, it was the consensus of the committee not to engage a political consultant at this time.

A motion was duly made seconded and unanimously carried to adjourn the meeting at 11:05 a.m.



Proposal to Desert Healthcare District

July 2019

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- Page 8: Local Impact in the Community

Future Path

- Page 10: Solidifying an Uncertain Future
- Page 11: Tenet's Proposal to the District
- Page 12: Moving Forward Together

Appendix

Desert Care Network Background

Our History in the Coachella Valley

- Tenet Healthcare has maintained a presence in the Coachella Valley for over 40 years when it first acquired John F. Kennedy Memorial Hospital in 1979
- Wanting to expand care across the region, Tenet entered into a 30-year lease with the Desert Healthcare District (“District”) to operate Desert Regional Medical Center (“DRMC”) in 1997; Tenet later entered into a lease to operate Hi-Desert Medical Center in Joshua Tree in 2015



- In 2018, Tenet introduced the Desert Care Network (“DCN”), uniting all hospitals and the associated network of outpatient centers under a coordinated strategy and enhancing care delivery to all residents of the Coachella Valley & Morongo Basin

Tenet has exhibited a strong commitment to the Coachella Valley and looks forward to continuing to serve the community’s health needs for the long-term

Regional Community Presence

In the Coachella Valley & Morongo Basin, Desert Care Network is a comprehensive health network serving the entire population through its hospitals, post-acute facilities, specialty outpatient centers, and a robust physician network

Hospitals

- 1 Desert Regional Medical Center**
1150 N. Indian Canyon Way
Palm Springs, CA 92262
760-323-6511
- 2 Hi-Desert Medical Center**
6601 White Feather Road
Joshua Tree, CA 92252
760-366-3711
- 3 Hi-Desert Continuing Care Center (SNF/Sub-Acute)**
6722 White Feather Road
Joshua Tree, CA 92252
760-366-1500
- 4 John F. Kennedy Memorial Hospital**
47-111 Monroe St.
Indio, CA 92201
760-347-6191

Urgent Care

- 5** MedPost UC- La Quinta
- 6** MedPost - North Indio
- 7** MedPost - Palm Desert

Outpatient Imaging Centers

- 8** El Mirador Imaging Center
- 9** La Quinta Imaging Center

Outpatient Surgery Centers

- 10** El Mirador Surgery Center
- 11** Sedona Surgery Center

Other Outpatient & Physician Locations

- 12** Advanced Wound Healing Center at Desert Regional Medical Center
- 13** Advanced Wound Healing Center at La Quinta
- 14** Airway Imaging & Outpatient Center
- 15** Comprehensive Cancer Center at Desert Regional Medical Center
- 16** Comprehensive Cancer Center La Quinta
- 17** Diabetes Center at Desert Regional Medical Center
- 18** Endoscopy Center
- 19** Hi-Desert Behavioral Health Services
- 20** Hi-Desert Home Health
- 21** Hi-Desert Hospice
- 22** Hi-Desert Rehabilitation Services
- 23** Institute of Clinical Orthopedics and Neurosciences - La Quinta
- 24** Institute of Clinical Orthopedics and Neurosciences - Palm Springs
- 25** Desert Region Family Medicine Palm Springs - Primary Care / Family
- 26** First California Physician Partners - Multi-Specialty Clinic
- 27** First California Physician Partners - Surgical Associates
- 28** Desert Region Family Medicine LQ - Family Medicine
- 29** UCR Health Family Medicine
- 30** First California Physician Partners - Cardiology, Internal Medicine
- 31** First California Physician Partners - Multi-Specialty Clinic
- 32** FCPW Women's Clinic—Indio



Accreditations, Certifications & Awards



**DESERT REGIONAL
MEDICAL CENTER**

American College of Cardiology

Accredited Chest Pain Center - Accredited with Commendations

Atrial Fibrillation Accreditation with EPS

American College of Radiologists

Comprehensive Breast Center of Excellence – Mammography, Stereotactic and Ultrasound

American College of Surgeons Commission on Cancer

Comprehensive Cancer Center Accredited with Commendations

BCBS Blue Distinction Center

Blue Distinction for Spine , Maternity - Blue Shield and Anthem

Blue Distinction for Bariatric Surgery - Blue Shield

Get with the Guidelines

2019 Gold Plus Award for Stroke Elite Honor Roll , Heart Failure and Resuscitation

Healthgrades

Five-Star Recipient for Total Knee Replacement, Hip Replacement and Hip Fracture Treatment
America's 100 Best Hospitals for Joint Replacement and Orthopedic Surgery
Joint Replacement Excellence Award

Human Rights Campaign (HRC)

2018 Leader in LGBT Healthcare Equality

The Joint Commission

2016 Advanced Heart Failure
2017 Hospital Triennial Accreditation
2018 Spine, Hip Replacement, Knee Replacement and Perinatal Care Certification



**JFK MEMORIAL
HOSPITAL**

Becker's Hospital Review

Lowest ED Wait Times – January 2017; JFK Recognized among only 59 Hospitals in the U.S.

Get with the Guidelines

2019 Gold Plus Award - Heart Failure

Healthgrades

5 Star Recipient for Total Knee Replacement
14 Years in a Row (2005-2018)
5 Star Recipient for Hip Fracture Treatment
11 Years in a Row (2008-2018)

The Joint Commission

2018 Hospital Triennial Accreditation
Advanced Certification for Primary Stroke Center

California Department of Public Health

Elective PCI Certification

Society of Chest Pain Centers

Accredited Chest Pain Center with PCI

Surgical Review Corporation

Center of Excellence Minimally Invasive GYN (COEMIG) Inspection



**HI-DESERT
MEDICAL CENTER**

Aetna

Elective Delivery Infant Safe Program

BCBS Blue Distinction Center

Blue Distinction for Maternity - Blue Shield and Anthem

California Care California Recognition for NTSV data

CalNoc Best Performance in Preventing Hospital Acquired Infections Total Facility for CAUTI, CLABSI, C. diff, MRSA

CMS Nursing Home Compare 5 Star Ratings
4 Star

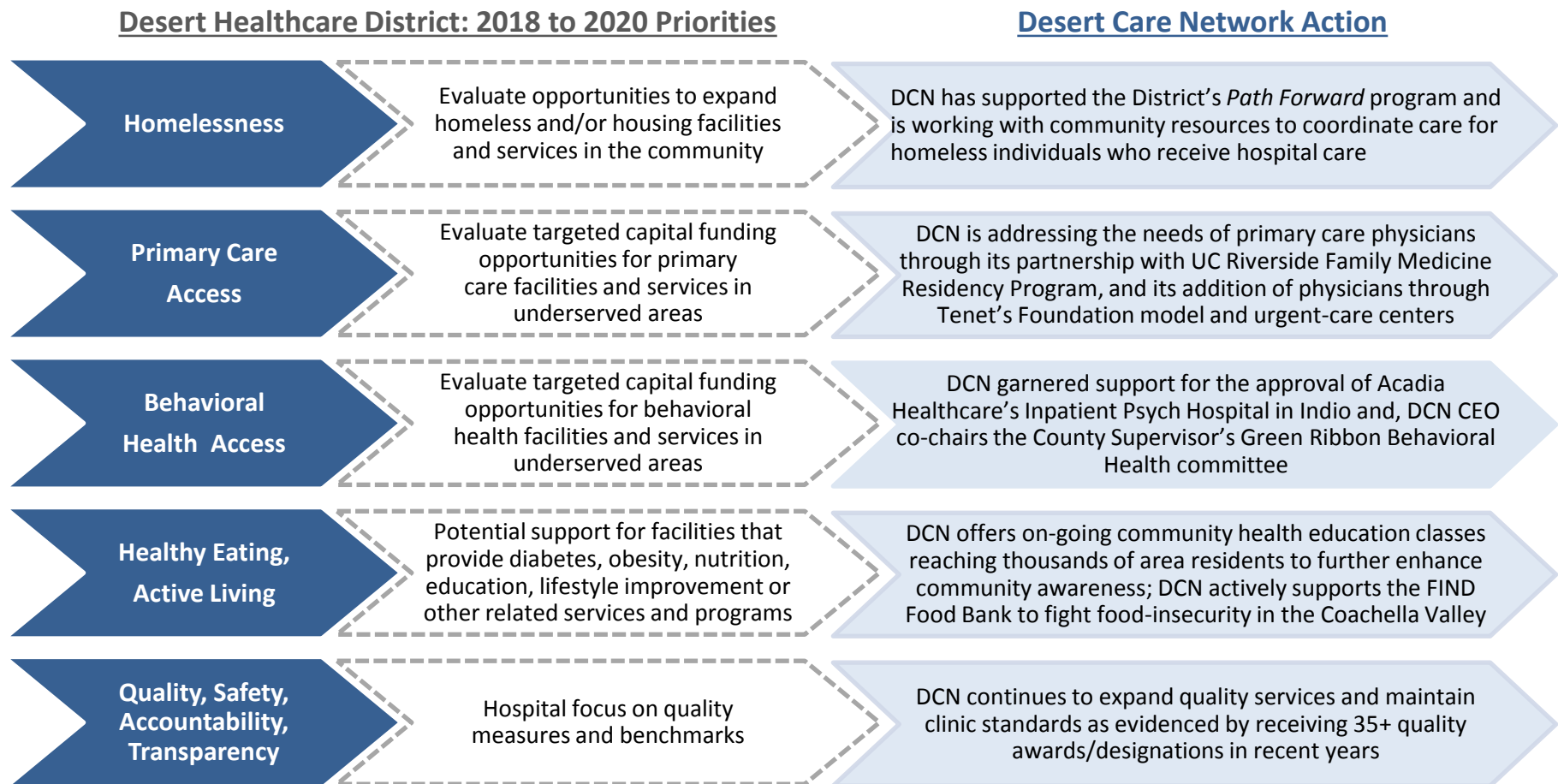
Morongo Basin Chamber 2017 Best of the Best Senior Care Facilities First Place

The Joint Commission

Hospital Triennial Accreditation
Home Care Triennial Accreditation

Aligned Strategic Vision

DCN has worked collaboratively with District leadership to support the District's priorities:



Local Impact in the Community

Across the Coachella Valley, Desert Care Network’s hospitals are stewards of the community by investing locally, creating jobs, and providing care for the underserved



Home of Five Residency Training Programs and the Region’s only Trauma Center and NICU



Serving the East Valley since 1966 – the largest population growth area in the Coachella Valley



Quality Care for Every Stage of Life – Acute Care, Skilled Nursing, Sub-Acute, Home Health and Hospice

Annual Desert Care Network Community Benefit (2018)

28.2k Admissions	5.2k Babies Delivered	154k ER Patients Served
13.4k Surgeries	\$32mm Capital Funds Committed	\$2.0mm Property Taxes Paid
\$25mm Charity Care	\$56mm Discounts to Uninsured	\$4mm Sales Taxes Paid
+\$3.0mm Pledged to Desert AIDS Project and other local charities	3.3k Employees	\$351mm Salaries, wages, benefits

Future Path

Solidifying an Uncertain Future

- **The lease between the District and Tenet for DRMC expires in June 2027**
 - There is a need to begin planning for long-term strategic investment throughout the community and future required capital investment at DRMC (e.g. seismic retrofit)
 - It is difficult for Tenet to commit to a go-forward strategy to meet these needs with an uncertain future beyond 2027
- **In addition, last year's expansion of the District (Measure BB) has created the need for additional funding to support District programs and priorities**
- **Tenet would like to propose a near-term purchase of DRMC from the District. We believe that a purchase of DRMC will:**
 - Provide the District with additional funding to support its various healthcare expansion initiatives
 - Allow Desert Care Network to better plan and prioritize future investments, ensuring the continuation and expansion of services in order to meet the community's needs across the Coachella Valley

Tenet's Proposal to the District

Components of our proposal including the following:

- **Base Purchase price for DRMC: \$120mm¹**
 - The purchase of the hospital would be at Fair Market Value (FMV), consistent with the analysis performed by the District's independent consultants (VMG Health)
 - The purchase price to be paid in installments over remaining eight year term of lease
- **Seismic Investment: \$119mm to \$180mm² (current District estimate)**
 - Current California state seismic regulations require all acute care hospitals to comply with certain building regulations by January 2030
 - Capital improvements would be made to ensure that DRMC meets any required seismic compliance guidelines to keep facility operational by the applicable deadline(s)
- **Investment in Coachella Valley healthcare services: minimum of \$80mm**
 - Tenet would commit to making future investments in healthcare services and capital projects over the next 8 years to further enhance the community's access to health care, such as the development of primary care access-points and additional physician resource investment

Tenet proposes a total financial commitment of approximately \$319mm to \$380mm allowing for the continuation and expansion of critical healthcare services for residents of the Coachella Valley

1) Subject to final fair market value and approval of Tenet board of directors

2) Based on a Seismic Evaluation and Compliance Planning Study engaged by the District, DRMC will require an estimated \$119mm to \$180mm for its campus to be seismically compliant

Moving Forward Together

- **Desert Healthcare District and Desert Care Network have a long-standing and successful partnership delivering critical healthcare services to the community**
- **Ensuring Coachella Valley residents' healthcare needs are met is critical, and requires an operator with a strong regional network, experience and commitment to serving all residents and visitors**
- **By purchasing DRMC today, Desert Care Network can build upon its existing foundation and make the investments required to enhance healthcare for all Coachella Valley residents**
- **By selling DRMC today, the District will have ample funding to focus on near-term expansion of its community health initiatives**

Appendix

Tenet Today: National scale to support local care

National delivery platform supports providers and patients across many local communities

65
Hospitals

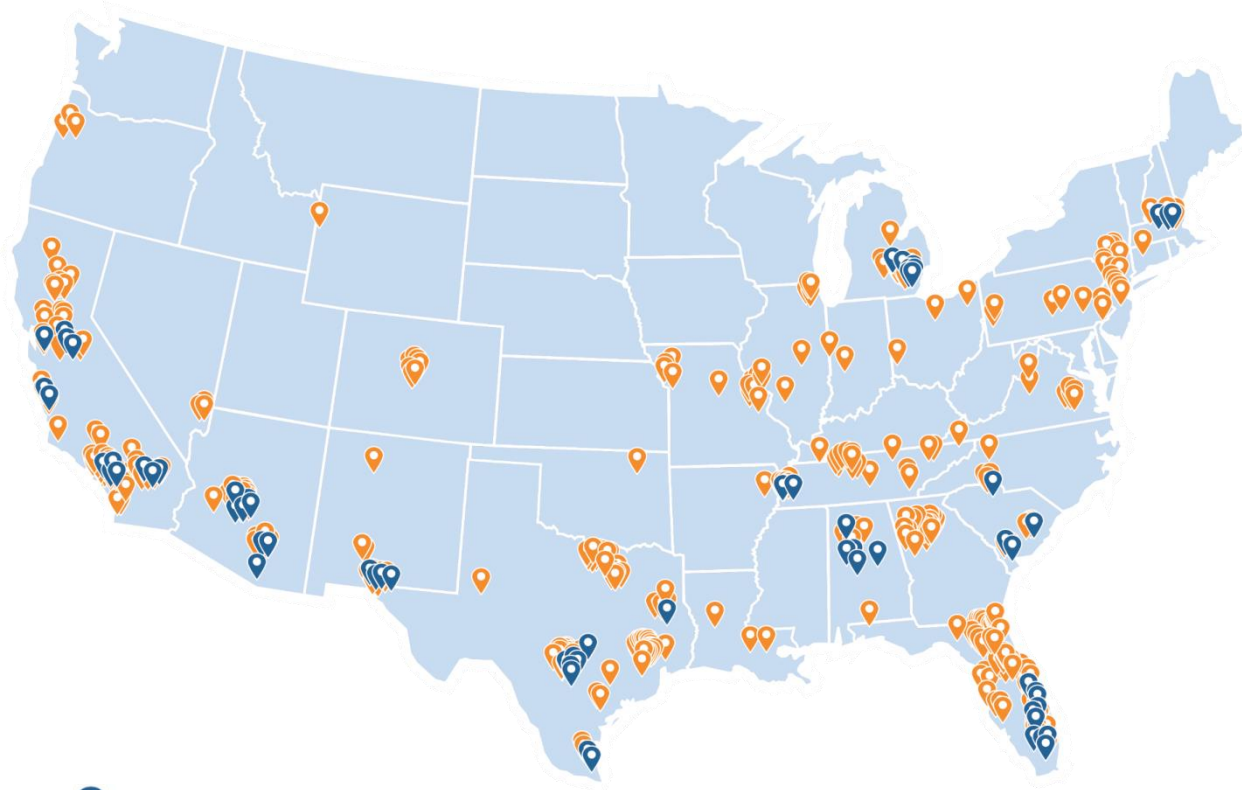
265
Ambulatory
Surgery Centers

106
Urgent Care
Centers

78
Imaging
Centers

23
Surgical
Hospitals

20
Off-Campus EDs
& Micro-Hospitals



Hospitals

Outpatient facilities and surgical hospitals

\$18B
2018 Revenue

10M
Patient
Encounters

730
Conifer
Clients

\$30B
Revenue managed
by Conifer

50
Health System
Partners

110K
Employees



Exceptional Partners. Exceptional Performance.

July 18, 2019

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

Dear Chris:

Kaufman, Hall & Associates, LLC (“Kaufman Hall”) is pleased to present our proposal to assist Desert Healthcare District (“Desert Health” or the “District”) in negotiating and evaluating a potential lease or a sale of Desert Regional Medical Center and its related assets (the “Hospital”) to Tenet Health (or “Tenet”) (the “Transaction”). We understand that the District has received a proposal from Tenet to acquire the assets of the Hospital, which they currently are leasing from the District. The District intends to create a special Ad-Hoc committee (the “Committee”) to oversee this project and is seeking support from Kaufman Hall in evaluating Tenet’s proposal and negotiating terms of a transaction for the Board to consider.

As you are aware, Kaufman Hall is very active in providing merger and acquisition advisory and consulting services to the healthcare services industry on a national basis and we believe we are especially qualified to provide objective advisory services to the District for the following key reasons.

1. **National Expertise in Healthcare Mergers and Acquisitions.** Kaufman Hall is a leading provider of merger and acquisition (“M&A”) advisory services to the healthcare services industry. We have been involved in hundreds of M&A-related transactions and our expertise includes all forms of affiliations, including member substitutions, asset sales, leases, joint-ventures, partnerships, and joint operating agreements. Our M&A experience with hospitals and health systems ranges from small community hospitals to multi-hospital health systems as well as publicly owned hospitals. It is this experience, coupled with our understanding of the broader healthcare marketplace, that positions us to provide a unique perspective on the partnership opportunities for providers across the continuum of care.
2. **Focus on the Healthcare Services Industry.** Since our inception over 30 years ago, Kaufman Hall has been dedicated to providing consulting services and software tools to the healthcare services industry. As such, we are intimately familiar with the issues and challenges healthcare services providers are facing on a day-to-day basis. We believe our deep knowledge of hospitals and health systems makes us uniquely qualified to advise the District in its lease negotiation.
3. **Familiarity with California District Affiliation Projects.** The lead transaction adviser assigned to this project, Steve Hollis, has served a number of the leading Districts in California on very similar assignments – notable examples are Grossmont (lessee: Sharp Healthcare), Eden Township (counterparty: Sutter Health), and Sequoia (counterparty: Dignity Health). Steve’s history with

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districts means that he is very familiar with managing an affiliation process within the constraints of the California code, as well as supporting elected Board members through the complex decision-making process.

4. **Familiarity with Desert Health.** The lead executives on this assignment, Steve Hollis and Jody Hill-Mischel, have had the pleasure of serving the District as its advisor in 2018 and 2019. This history with the District ensures that the Kaufman Hall team enters this project with an in-depth understanding of the financial, operational, and strategic position of the District, as well as great familiarity with the existing relationship with Tenet. This knowledge base equips us to provide a unique level of support in the proposed negotiation process.
5. **Client-Driven Approach.** Kaufman Hall has built a very successful and nationally recognized consulting practice and software business based on our fundamental commitment to a client-driven approach. We work closely with a broad range of healthcare providers, including the largest multi-state hospital systems in the country, complex academic medical centers, public hospitals, urban tertiary care providers, stand-alone community providers, specialty providers, and large physician group practices. Any contemplated transaction is evaluated within the context of achieving the long-term mission and vision of our clients.
6. **Independence.** Supporting our client-driven approach, Kaufman Hall has maintained a long-standing practice of providing objective and independent advice in the long-term best interests of our clients. We do not take a financial interest in our clients, nor do we work on a contingency basis or have specific business ventures with any party that would introduce a conflict of interest. We have structured our firm to provide independent and objective advice to our clients at all times.
7. **Quality, Expertise, and Hard Work.** Kaufman Hall adds value to its transactions through commitment and hard work. Our clients will testify that Kaufman Hall provides real quality and expertise throughout each and every M&A engagement. Unlike some other firms that provide M&A services, our consultants do not “hand off” the transaction to attorneys once a preferred partner is identified. We believe any transaction contemplated should be evaluated within the context of achieving the long term mission and vision of our client and remain deeply involved in all aspects of the transaction process so that this focus is maintained. Our consultants provide exceptional financial and strategic analysis, contribute to the development of all transaction documents (e.g., letter of intent and definitive agreements) and, most importantly, we assure our client’s goals and objectives are met as a result of the transaction.

SCOPE OF SERVICES

Kaufman Hall is able to assist Desert Health in all phases of the evaluation and negotiation of a potential transaction with Tenet. During the course of this engagement, Kaufman Hall may provide the following services.

- A. **Coordination of Activities.** Kaufman Hall will coordinate all aspects of the Transaction. We will develop a transaction timetable and ensure the process continues according to this timetable. The timetable so developed shall be subject to approval by management and will reflect the inter-relationships that arise between this affiliation process and all other key related initiatives

Mr. Chris Christensen
Desert Healthcare District
July 18, 2019
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of the District. The District acknowledges that circumstances out of the control of the District or Kaufman Hall may extend this engagement beyond the original timetable. We anticipate that the timetable will be a “living document” which will necessarily be adapted during the course of the process to reflect external events.

- B. **Negotiation of Term Sheet and/or Letter of Intent.** Kaufman Hall will assist legal counsel and the District in negotiating with Tenet a term sheet and/or letter of intent which memorializes all the key business and governance terms of the Transaction. This process will involve both in-person meetings with District management, transaction counsel, the Committee, and representatives from Tenet, as well as conference calls among the parties. We will present all our work at all appropriate stages, as requested by the District, to the Ad-Hoc committee and the full Board to ensure that the committee and the Board is informed throughout of progress being made and to receive input into the preferred terms. Kaufman Hall will ensure at all times that the negotiated structure and terms are measured against the defined goals and objectives of the District.
- C. **Negotiation of Definitive Documentation.** Should the District Board, after appropriate public input, choose to proceed to negotiate final documentation memorializing the proposed Transaction, Kaufman Hall will assist the District and its legal counsel in the negotiation of appropriate definitive documentation as well as provide support in coordinating the due diligence process that Tenet will undertake before closing an affiliation transaction.
- D. **Presentation of Negotiated Transaction at Public Board Meetings.** Should the District Board decide to proceed with a transaction, Kaufman Hall will support the Board in presenting the terms of, and rationale for, the Transaction at a number of public meetings within the District boundaries to solicit public input into the Transaction and address questions that may arise in the community.

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

TRANSACTION TEAM

Jody Hill-Mischel, Managing Partner, and Steve Hollis, Senior Vice President, will be the co-lead advisors on this engagement, responsible for leading all phases of this assignment. Mr. Hollis and Ms. Hill-Mischel will be assisted by other Kaufman Hall staff as necessary and appropriate.

ENGAGEMENT TIMING, TERMINATION, AND FEES

The professional fees for this engagement will consist of fixed fees of \$120,000 per month (the “Monthly Fee”), billed at the end of each month beginning in August 2019. At any time, should the District decide not to proceed with the Transaction, or otherwise elect to terminate this Engagement Letter, Kaufman Hall’s Monthly Fee for the month would be prorated to the date of written notification by the District of its decision to terminate (“Notification Date”). Kaufman Hall will also be entitled to reimbursement of any expenses (as described below) incurred by Kaufman Hall through the Notification Date.

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At any time, the District may exercise the option to pause (“Pause”) the engagement upon written notice to Kaufman Hall specifying the effective date of the “pause period” (the “Pause Notification Date”). Kaufman Hall’s Monthly Fee for the month would be prorated through the Pause Notification Date and Kaufman Hall will cease billing fees until the District exercises its option to reopen negotiations. Kaufman Hall would be entitled to reimbursement of any expenses (as described below) incurred by Kaufman Hall through the Pause Notification Date, but not during any period of time the District pauses this engagement. From the period following the Pause Notification Date and until the District exercises its option to reopen negotiations, Kaufman Hall will not be obligated to conduct any work associated with this scope of services. The parties agree that during any Pause of the engagement, the District and Kaufman Hall will revisit the Pause on a monthly basis (or other mutually agreed upon basis). Billing would resume, subject to the terms and conditions set forth in this engagement letter, upon expiration of the Pause.

In addition to professional fees, Kaufman Hall charges for reimbursable travel, office, and any third-party data/analytics expenses. Travel and third-party data/analytics expenses are billed as incurred and are not subject to markup. Office expenses of \$3,000 per month include report preparation, communication expenses, and express shipments, among other overhead costs. Invoices are sent at the end of each month and are due upon receipt.

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

AUTHORIZATION

We very much appreciate the opportunity to present this proposal and look forward to serving Desert Health on this important assignment. Your signature below will indicate your agreement with this proposal and the attached terms and conditions, which are incorporated herein by reference. Please sign and return via email or by fax to (847) 965-3511.

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

Sincerely,
KAUFMAN, HALL & ASSOCIATES, LLC

This proposal is accepted.
DESERT HEALTHCARE DISTRICT



/sd
Attachment

Authorizing Signature / Date

cc: Jody Hill-Mischel
Steve Hollis

Printed Name / Title

TERMS AND CONDITIONS FOR CONSULTING SERVICES

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

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

Consulting Data) provided to Desert Health by Consultant in connection with the engagement is for the sole internal use of Desert Health, including all subsidiaries of Desert Health, and may not be used or relied upon by any third party; provided that Desert Health may incorporate into documents that Desert Health intends to disclose externally Consultant summaries, calculations or tables based on Desert Health information contained in Client Content, but not Consultant's recommendations or findings. Consultant retains all rights not expressly granted to Client hereunder.

4. **Confidentiality**

4.1 **Desert Health Confidential Information.**

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

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

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

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

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

agent of Consultant while physically present on the premises of Desert Health. Obligations arising out of this section 6(d) shall apply only in proportion to the extent of the act or omission of the employee or agent.

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

13. **Entire Agreement.** It is understood and agreed that the Engagement Letter together with all exhibits and schedules, and these Standard Terms and Conditions, constitute the entire agreement between Desert Health and Consultant regarding the Services and supersede all other prior or contemporaneous oral and written representations, understandings, or agreements related thereto, including any confidentiality agreements previously entered into, none of which prior or contemporaneous matters shall be binding.
14. **Form of Signature.** The parties agree that the Engagement Letter and these Standard Terms and Conditions shall be deemed fully executed by affixing a duly authorized Desert Health representative and a duly authorized Consultant representative signature to the Engagement Letter attached hereto, whether by original, electronic, or facsimile signature.
15. **Data Submissions.** Consultant may from time to time, in support of the Services, require data files from Desert Health. Consultant and Desert Health agree to the following:
- a. Consultant will not accept any file that contains a person's Social Security Number ("SSN") or patient name;
 - b. Consultant will only accept Protected Health Information ("PHI" as defined by the HIPAA/HITECH rules 45 C.F.R. Parts 160 and 164) if such PHI is required to provide the Services;
 - c. Files received by Consultant containing SSN, patient name, or unnecessary PHI will be deleted from all locations in the Consultant's email, network, website, and computers and Desert Health will receive email notification of the steps taken;
 - d. If Consultant has been or is granted access to PHI, Consultant and Desert Health shall enter into a mutually agreeable, HIPAA/HITECH compliant Business Associate Agreement prior to Consultant receiving any data that includes PHI; and
 - e. Consultant will only accept files containing PHI via Consultant's FTP site or Desert Health's FTP site and:
 - i. These files must require a password to open which needs to be sent to the Consultant representative via a separate email; and
 - ii. These files must contain only the minimum necessary data for Consultant to provide the Services.

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



Date: July 23, 2019
To: Board of Directors
Subject: Coachella Valley Association of Governments (CVAG) Memorandum of Understanding (MOU) regarding CV Link Funding

Recommendation:

Discussion and possible direction from the Board regarding the CV Link MOU

Background:

- At the May 28, 2013 Board of Directors meeting, the Board approved an MOU with CVAG to fund \$10,000,000 (\$10M) for the 1e11 Whitewater River Trail, aka, CV Link, with certain funding Contingencies (1 contingency) and Conditions (9 conditions). (see attached Memorandum of Understanding)
- CVAG was to seek additional funding sources for CV Link and would represent to those prospective funding sources that the Desert Healthcare District has made the \$10M funding commitment.
- Once the Conditions and Contingencies have been fulfilled to the satisfaction of the District, the parties will negotiate in good faith a grant contract.
- DHCD agreed to maintain its funding commitment in effect for 30 months, expiring on November 30, 2015.
- Since the inception of MOU, CVAG has been working on satisfying the conditions and contingencies of the MOU.
- On June 12, 2019, the District received a letter from CVAG requesting a meeting with the District to develop the grant contract described in the MOU. (see attached letter regarding Funding for CV Link)
- **UPDATE** – On July 17, 2019, President Zendle and District Staff met with CVAG staff. The following outcomes of the meeting are as follows:
 - CVAG will provide supporting documentation to satisfy the Contingency and Conditions of the MOU.
 - District Staff will work with CVAG staff to complete the District's formal grant process.
 - The Grant and Supporting MOU documentation will be brought before the Board in September.

Attachments:

- CVAG Memorandum of Understanding for the CV Link
- Letter dated June 12, 2019 regarding Funding for the CVLink

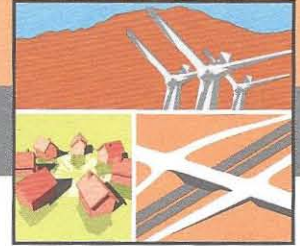
Fiscal Impact:

The \$10M MOU was booked as an expense and liability on the books of the District in 2013.

Upon satisfactory approval by the District of the terms and conditions of the MOU and a negotiated grant contract, \$10M will be disbursed per an agreed distribution schedule.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

73-710 Fred Waring Dr., Suite 200, Palm Desert, CA 92260 • (760) 346-1127 • www.cvag.org



November 1, 2013



Glen Grayman, President
Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, California 92262

RE: MINUTE ORDER ACTION

Dear President Grayman:

Please find enclosed the fully executed Memorandum of Understanding (MOU) between the Coachella Valley Association of Governments (CVAG) and the Desert Healthcare District (District) and a Minute Order signed by CVAG's Executive Assistant which attests to action taken by CVAG's Executive Committee on Monday, October 28, 2013 relative to CV Link and the Desert Healthcare District.

The Executive Committee took action to approve a commitment of \$12.6 million of MAP 21 CMAQ federal transportation funds to CVAG's CV Link project. Pursuant to the District's action taken May 28, 2013 and paragraph two of the MOU; second section titled "Contingency" under the heading "Funding Contingencies and Conditions", CVAG's action serves as the required "trigger" for a \$10 million challenge grant from the District.

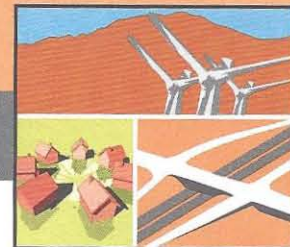
We thank the District Board and CEO Kathy Greco for recognizing the public health benefits that CV Link will bring to our community and we look forward to working with you on this project. Should you have any questions, feel free to contact me or my staff, Aurora Wilson. Thank you again.

Sincerely,


Tom Kirk
Executive Director

:attachments

cc: Kathy Greco, Chief Executive Officer



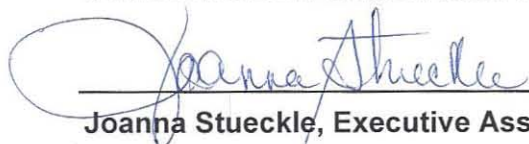
CERTIFICATION OF ACTION TAKEN AT THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS EXECUTIVE COMMITTEE MEETING OCTOBER 28, 2013

I HEREBY CERTIFY THAT THE FOLLOWING ACTION WAS TAKEN BY CVAG'S EXECUTIVE COMMITTEE AT ITS OCTOBER 28, 2013 MEETING:

IT WAS MOVED BY MAYOR DE ROSA AND SECONDED BY MAYOR HARNIK TO:

- 1) DELAY AND SHIFT CVAG'S COMMITMENT TO PRIORITIZE THIS ROUND OF CMAQ FUNDING OF THE CITY OF PALM DESERT'S MID VALLEY BIKE PATH PROJECT BY:
 - a. ALLOCATING PRIORITY FUNDING FROM THIS CYCLE TO CV LINK
 - b. SET ASIDE FUNDING IN THE NEXT ROUND OF CMAQ FUNDING FOR THE CITY'S PROJECT.
- 2) AUTHORIZE A COMMITMENT OF \$12.6 MILLION OF MAP21 FUNDS TO THE EASTERN PORTION OF CVAG'S CV LINK PROJECT TO PROVIDE MATCHING FUNDS TO A \$10 MILLION GRANT FROM THE DESERT HEALTHCARE DISTRICT.
- 3) APPOINT PALM DESERT MAYOR JAN HARNIK FROM THE TRANSPORTATION COMMITTEE; AND, CITY MANAGERS RANDY BYNDER FROM THE CITY OF RANCHO MIRAGE, AND FRANK SPEVACEK FROM THE CITY OF LA QUINTA, TO PARTICIPATE ON AN AD HOC TASK FORCE TO DEVELOP THE 2014 CALL FOR PROJECTS; FOR APPROXIMATELY \$8,203,228.

THE MOTION CARRIED WITH MAYOR ROCHE VOTING NAY AND COUNCILMEMBER DE CONINCK ABSTAINING FROM THE VOTE.


Joanna Stueckle, Executive Assistant

MEMORANDUM OF UNDERSTANDING

BETWEEN

DESERT HEALTHCARE DISTRICT

AND

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

The purpose of this Memorandum of Understanding “(MOU)” between the DESERT HEALTHCARE DISTRICT “(DHCD)” and the COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS “(CVAG)” is to memorialize the action and all contingencies taken by the DHCD Board on May 28, 2013, pursuant to Motion #13-33. The action taken by the DHCD Board was the approval to fund Ten Million Dollars (\$10,000,000) for the 1e11 Whitewater River Trail, aka, CV Link (“CV Link”), with certain funding contingencies and conditions. This MOU describes the funding contingencies and conditions.

FUNDING CONTINGENCIES AND CONDITIONS

DHCD Motion #13-33 – May 28, 2013

#13-33 MOTION MADE by Vice-President Hazen and seconded by President Grayman to approve the 1e11 Whitewater River Trail Ad Hoc Committee recommendation for \$10 million to the Coachella Valley Association of Governments (CVAG) with the funding contingencies and conditions as noted on pages 90-91 of the May 28, 2013 Board Packet including the stipulation that there will be no grant contract or agreement until an additional \$12.6 million is secured by CVAG (within 30 months) and that no Desert Healthcare District funds will be expended or released until all the required environmental clearances have been obtained. A written agreement memorializing this action and all contingencies such as a Memorandum of Understanding will be permitted at any time. Motion Approved 4 to 1.

Contingency

DHCD funding is tied to CVAG securing the gap funding of \$12,600,000 created when the South Coast Air Quality Management District “(AQMD)” award of \$17,400,000 was insufficient to meet the funding contingency which tied a DHCD grant award of \$10,000,000 to an AQMD award of at least \$30,000,000. The \$12,600,000 must be secured within 30 months of June 1, 2013 and may be from single or multiple funding sources.

Conditions

1. DHCD funding is tied to 1.) design, 2.) right of way and/or easements, 3.) community engagement and outreach, and 4.) construction of facilities within DHCD boundaries.

2. DHCD reserves the right to revoke its unexpended financial commitments in the event it becomes necessary to address a major DHCD or Desert Regional Medical Center related financial obligation (e.g. seismic retrofit obligations, cancellation of Tenet lease, etc.).
3. DHCD funding will be utilized on an actual cost reimbursable basis with the understanding that actual disbursements will not be necessary for 2 more years. Such disbursements will likely occur over a 5-6 year period thereafter (e.g. approximately \$1-\$2Million/year).
4. CVAG will make every effort to tie DHCD funding to acquisition of a "property interest" in the project. Such an interest will be ownership of an easement(s) in favor of the DHCD and to ensure that the route remains open for public health related purposes. Such a property interest becomes an asset for the DHCD.
5. DHCD will assume a participatory role during the design phase to ensure that public health related objectives are secured and that, where feasible, connections to schools, health facilities and the like are adequately accommodated.
6. Final design and budget must be acceptable to the DHCD.
7. A collaboration between DHCD and CVAG will determine the long-term health benefit by the development and implementation of a health assessment tool.
8. If approved as recommended, the grant contract will include deliverables and payment schedule if and when the \$12.6 Million is secured as demonstrated by formal action/notice of awards and/or other documentation suitable to the DHCD.
9. Based on the recommendation, if the contingency is met (\$12.6 Million is secured), the \$10 Million grant award will be booked as a liability by DHCD at that time. Availability of funds will be tied to demonstrated progress such as successful completion of environmental clearances.

The parties understand that, in reliance on the DHCD actions described above, CVAG will seek additional funding sources for CV Link and will represent to those prospective funding sources that DHCD has made the described funding commitments.

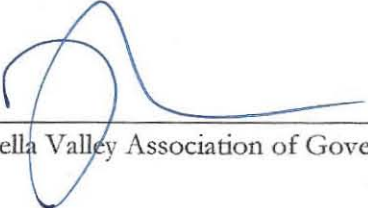
Once the above-described contingencies have been fulfilled to the satisfaction of DHCD, the parties will negotiate in good faith a grant contract that incorporates the terms outlined above and such other terms as the parties may agree upon.

Based on DHCD actions outlined above, CVAG agrees to use its best efforts to acquire additional funding to develop the CV Link. In consideration for those efforts, DHCD agrees maintain its funding commitment outlined above in effect for 30 months expiring on November 30, 2015.

This MOU and the commitments made herein will be reviewed by the parties every six months. Any changes to this MOU will be made with the approval of both parties.

Both parties retain the right to terminate this MOU, and the commitments made herein, upon 60-day written notice.

Dated this 16th day of September 2013



Coachella Valley Association of Governments

EXECUTIVE DIRECTOR

Title



Desert Healthcare District
Glen Grayman, M. D.

Board President

Title



June 12, 2019

Dr. Les Zendle, Board President
Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, CA 92262

Re: Funding for CV Link

Dear Dr. Zendle,

The Desert Healthcare District (District) has been a valued partner as the Coachella Valley Association of Governments (CVAG) plans and constructs CV Link. Under the terms of the Memorandum of Understanding executed on September 16, 2013, we are now requesting a formal grant contract so that we may begin to utilize the \$10 million that the District has committed to the project.

As you know, the concept of creating a bikepath along the Whitewater River channel has been around for decades. CVAG, at the encouragement of the late Riverside County Supervisor John Benoit and then-District Director Kay Hazen, began exploring the idea of expanding it to a multi-modal pathway in late 2011. The idea was that by opening the pathway up to additional uses – including low-speed electric vehicles and electronic mobility assistance devices – we could expand the opportunities for more people to walk, jog or ride along the pathway, thereby expanding the public health, air quality and other benefits. The project started off as 1e11 Whitewater River Trail before it was named CV Link.

Early on, the District and CVAG saw the immense public health benefits to CV Link. CV Link will be a new, widely accessible venue for physical activity whether for fitness, leisure or active transportation. Studies show that people who live near multi-modal pathways get more exercise and are more likely to meet the U.S. Centers for Disease Control and Prevention's goals for physical activity. Physical activity is also associated with many health benefits, such as weight control, prevention of many chronic diseases and improved mental health. In addition, disabled and elderly individuals may achieve more physical activity by having a safer alternative to walking and bicycling on busy roadways.

Further, CV Link will provide better access to leisure, jobs, schools and public transit. By getting people out of their cars, CV Link will help improve the air quality by decrease vehicle miles traveled (and thus vehicle emissions). Paving parts of the Whitewater River stormwater channel also will reduce airborne dust and particulate matter. These are beneficial to helping reduce the amount

of air pollution in the Coachella Valley, which contributes to heart attacks, asthma, bronchitis, hospital admissions, lost workdays, and climate change.

The master planning, design, preliminary engineering and environmental documentation for CV Link started in earnest in 2013. This process involved studying various route alignments under federal and state environmental standards. In May 2017, the CVAG Executive Committee cleared a major hurdle by finalizing the route, certifying the Final Environmental Impact Report and adopting the necessary documents required under the California Environmental Quality Act. CVAG then completed the documents necessary to adhere to the National Environmental Policy Act, and earlier this year we received our final, required environmental permit (the Section 1602 from the California Department of Fish & Wildlife Service).

Throughout this process, CVAG has kept the District apprised of our progress, as required under the MOU, by regularly providing the District Board and District staff with written updates and verbal presentations. We have also abided by the terms of the MOU and worked with your legal counsel extensively as we acquired right of way, and our easements and property negotiations all include the approved wording so the District has “property interest” in this project.

CVAG had previously met the MOU's 30-month clause to acquire additional funding, and we notified the District on November 1, 2013 that we had met the contingency by securing \$12.6 million from the federal Congestion Mitigation and Air Quality (CMAQ) Improvement Program. With the final environmental clearances obtained, CVAG has now adhered to the stipulations stated in the MOU, which were required before “funds will be expended or released.”

It's impossible to overstate how vital the District's financial commitment has been to CV Link's progress. As one of the project's earliest funding commitments, the District's endorsement was an indicator to other regional and state agencies of the strong support in the Coachella Valley. I'm thrilled to report that we have now secured more than \$100 million for the project. As allowed under the MOU, CVAG did “represent to those prospective funding sources that DHCD has made the described funding commitments.” Some funding sources, including CMAQ, have a required match; losing the match could put the remaining funds at risk. In other cases – including California's highly competitive Active Transportation Program – grant applications score higher when the applicant can demonstrate it is leveraging other funding sources. Frankly speaking, CV Link might not have fared as well in grant applications without the District's early commitment. Your continued and unwavering commitment has resulted in tens of millions in outside funding, meaning residents from Palm Springs to Coachella will benefit instead of other communities in Riverside County or the state.

We appreciate that the District was part of the grand opening celebration of CV Link's first, 2.3-mile segment in February 2018. Earlier this year, another mile of the pathway was completed along Demuth Park when the City of Palm Springs improved the Tahquitz Creek stormwater levee. CVAG is now expecting to have construction plans finalized for the entire project this fall. Initially, CVAG anticipated the next segment of construction would be about seven miles. We are now planning to have about twice that length under construction next year. Based on the right-of-way and easement agreements, we expect that much of the construction will be in the eastern Coachella Valley, where the District has now expanded. While this means that more of the project will be built sooner rather than later, it has also resulted in additional work to finalize the necessary design and engineering.



Under the terms of the MOU, the District funding will be utilized on an actual cost reimbursable basis. It was anticipated that actual reimbursements would run through at least 2021, at approximately \$1-\$2 million a year. Upon the finalization of a formal grant agreement, and with the District's concurrence, CVAG will begin seeking about \$2 million for costs related to design and construction.

I look forward to working with you, the District Board and the District staff to finalize a grant contract that incorporates the terms from the MOU. To this end, we will be reaching out to the District to schedule a meeting. In the years and decades to come, residents and visitors will be benefiting from CV Link, and sharing my appreciation that the District had the vision and foresight to make such an important financial investment in our valley's public health.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Tom Kirk', with a long horizontal flourish extending to the right.

Tom Kirk
CVAG Executive Director

CC: D. Chris Christensen, Desert Healthcare District Interim CEO





Date: July 10, 2019

DHCD Progress Report #2019-2 for reporting period: April 1, 2019 to June 30, 2019

Grantee: Coachella Valley Association of Governments (CVAG)

Project Title: CV Link Project

Project Manager/ Contact: Martin Magaña, Director of Transportation (mmagana@cvag.org)

1. Provide a brief summary of the organization and the objectives of the project.

The Coachella Valley Association of Governments (CVAG) is a regional Joint Powers Authority that serves the nine cities, the County of Riverside, and three Indian Tribes within the Coachella Valley. CVAG's jurisdiction stretches across eastern Riverside County, and its membership includes the City of Blythe on the California-Arizona border.

CV Link is an alternative transportation corridor that runs generally along the levee of the Whitewater River that will ultimately stretch from the northwest corner of the CVAG area (Desert Hot Springs) to the southeast corner (the Salton Sea). The core project will generally stretch from the City of Palm Springs to the City of Coachella. The project approved under the Final Environmental Impact Report is approximately 40 miles but, does not extend through the Cities of Rancho Mirage or Indian Wells. It will provide significant environmental, health, and economic benefits to generations of current and future residents and visitors. CV Link will connect users to employment centers, shopping centers, schools, and recreational opportunities. Dual paths are planned to accommodate bicycles, low-speed electric vehicles and pedestrians. This alternative transportation corridor will enable healthier lifestyles, spur economic innovation, and make the Coachella Valley a more sustainable and appealing place to live, work and play.

2. Summarize work completed during reporting period.

Significant progress has been made on the project in this quarter. The design phase reached a major milestone on June 28, 2018, when draft plans for the entire CV Link route were finalized. The draft plans are now out for review by various partner agencies, including Coachella Valley Water District (CVWD), Riverside County Flood Control & Water Conservation District (RCFC&WCD) and local jurisdictions. Based on the feedback, CVAG anticipates finalizing the entire design in the next quarter.



As mentioned in previous reports, CVAG is working with the County of Riverside's Economic Development Agency (EDA) on right-of-way activities. This process involves securing easements, license agreements and some property purchasing. In this quarter, a number of easements were acquired, including ones from Desert Sands Unified School District (DSUSD) and the Coachella Valley Conservation Commission. CVAG and EDA continue to work multiple property owners, including tribal allottees, to acquire the necessary right of way for CV Link. The process of negotiating with tribal allottees also involves the Bureau of Indian Affairs, making this a lengthy process.

On smaller bike and pedestrian projects, an agency would wait until all right-of-way is secured before beginning construction. However, the length and scale of CV Link supports a segmented approach. In May 2019, CVAG received approval from the California Transportation Commission (CTC) to segment CV Link in order to deliver large percentages of the project as soon as each segment's right-of-way is certified, rather than hold the entire project up while CVAG works through the process of securing access on tribal allottee parcels. Each of these segments and sub-segments have logical termini/connections. This segmenting means the project benefits can be realized sooner rather than later.

Additionally, during this reporting period, CVAG is working with the cities of Palm Springs and Cathedral City to close out the final paperwork for the nearly 3.5 miles of pathway that have been built. A notice of completion was issued in April 2019 for the first segment of CV Link between Vista Chino in Palm Springs and Ramon Road in Cathedral City. Construction is also complete on a 4,100-foot-long stretch of CV Link along Tahquitz Creek near Demuth Park. It is anticipated that the City of Palm Springs will issue a Notice of Completion in the third quarter of this year.

3. What challenges and opportunities have you encountered in accomplishing this portion of your Scope of Work?

While progress is being made, the acquisition of right of way continues to be a lengthy process. This is due, in large part, to the sheer number of private property owners and tribal allottees who need to be contacted. As mentioned above, offer packages have been sent out to all property owners, but there are cases where CVAG is awaiting any response. Multiple attempts have been made, and CVAG and EDA continue to work through this process.

This project has a number of project partners, including the CTC. The above-mentioned votes to segment the process gave CVAG an opportunity to update the schedule and the State worked closely with CVAG to coordinate the timing of when Active Transportation Program (ATP) and State Transportation Improvement Program (STIP) funds will be allocated.



4. Is your project on schedule?

The CV Link project schedule has been revised over the years to adjust to changes in the project. Additional work was done in the Cities of Rancho Mirage and Indian Wells, most notably by proposing multiple alternatives to the routes in those cities and trying to find a compromise with city officials. This meant it took longer for CVAG to finalize the Master Plan and, also added time to the environmental review as those alternatives were analyzed to state and federal environmental standards. The CTC vote in May 2019 provided an opportunity to review the schedule, and CVAG is confident in the segmenting approved by the state earlier this year.

5. Provide an update on the financial report for the project.

CVAG has received funding from an array of sources, which is reflective of the broad support the project has. Funding received to date:

State Active Transportation Program: \$21,692,000
CVAG Transportation Funds: \$20,000,000
State Transportation Improvement Program: \$18,655,000
South Coast Air Quality Mitigation District: \$17,400,000
Federal Congestion Mitigation and Air Quality: \$12,600,000
Desert Healthcare District: \$10,000,000
California Strategic Growth Council: \$1,000,000
Riverside County Parks: \$750,000
Bicycle Transportation Account Grant: \$748,500 (secured with Cathedral City)
Caltrans Environmental Justice Grant: \$291,000 (secured with Palm Desert)

6. Work planned for next reporting period.

In the next reporting period, CVAG anticipates:

1. Continuing to acquire additional right of way for CV Link.
2. Releasing a Request for Proposals to hire a Construction Management firm to assist CVAG in all the pre-construction activities required prior to going out to bid.
3. Closing out the 4,100-foot-long segment of CV Link in the City of Palm Springs.

Additionally, CVAG is in the process of finalizing construction plans with state and regional partners. Initially, CVAG expected the next segment to be about seven miles in length. But thanks in large part to partnerships with CVWD and RCFC&WCD, CVAG has revised the



plans and now is expecting the next phase will include about 15 miles of CV Link. Construction should start in 2020, making it the project's biggest year yet. The plan is to have multiple construction sites at the same time, but the exact timeline and completion date will be worked out once CVAG hires a contractor.

The Desert Sun recently profiled the project and the future construction schedule. The story can be found here: <https://www.desertsun.com/story/news/local/2019/06/21/15-more-miles-cv-link-expected-in-2020-in-coachella-valley/1384643001/>



Date: July 23, 2019
To: Board of Directors
Subject: Communications and Marketing update

Staff Recommendation: Implementation of new branding efforts including a redesigned website continue (Information Only).

Background:

- Since the public launch of the website in mid-May, revisions and tweaks suggested by the District staff and the website contractor have been incorporated pertaining to the site's menu tab, homepage content, and more. Staff is researching software to integrate with the new site that would enhance the process of uploading and searching Board documents.
- Materials featuring the District's new branding that have been designated for the Directors and staff include business cards, badges and lapel pins. The majority of badges and business cards have been delivered. Promotional items that feature the District or CVHIP were recently ordered to display at District and community events. These items include retractable banners, a canopy, table cover and giveaways for the public such as silicone wallets, water bottles and pens.
- The District and Foundation's second quarterly newsletter was deployed in mid-July through email to more than 400 contacts. The next deployment is scheduled for October 15.
- Media coverage in late June and early July included a KESQ broadcast about the emergency cooling centers featuring an interview with Board President Dr. Les Zendle, publication of an opinion piece on the centers written by Dr. Zendle for The Desert Sun, and a Desert Sun article about the centers for which interim CEO Chris Christensen was interviewed and quoted.
- We began building a District and Foundation photo collection/archive on June 8 when Operation Splash, which was supported by the District, was photographed. The goal is to document other District and/or community events with photos that can be used for multiple purposes, from marketing materials to social media and website content.

Fiscal Impact:

All expenditures covered in the Communications and Marketing Budget approved by the Board.



Date: July 23, 2019

To: Board of Directors

Subject: CEO Appointment to the Desert Hot Springs Health and Wellness Foundation Board

Staff recommendation: Consideration to approve the CEO Appointment to the Desert Hot Springs Health and Wellness Foundation Board.

Background:

- In 2012, the Desert Healthcare District (DHCD) provided funding support to construct the Desert Hot Springs Health and Wellness Center.
- Additional construction funding was available through a New Market Tax Credit (NMTC).
- The NMTC requires a Qualified Low Income Community Investments (QLICI) foundation be established.
- The Desert Hot Springs Health & Wellness Foundation, a 501(c)3, was formed with a 5 member Board.
- DHCD has one seat on the Board of Directors filled by the District's CEO.
- Staff requests the Board's consideration to appoint Conrado Bárzaga to serve on the Board of Directors of the Desert Hot Springs Health and Wellness Foundation.